

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY
MEMORANDUM

TO: Chairman Martin E. Nohe and Members
Northern Virginia Transportation Authority

FROM: Monica Backmon, Executive Director

SUBJECT: Approval of Comments on Proposed Modifications to the Smart Scale Process

DATE: September 8, 2017

1. **Purpose.** To seek Northern Virginia Transportation Authority (NVRTA) approval of comments on the proposed modifications to the Smart Scale Transportation Funding Prioritization Process.
2. **Suggested Motion:** *I move approval of the attached comments on the proposed modifications to the Smart Scale Transportation Funding Prioritization Process as outlined in the Draft Updated Smart Scale Technical Guide (Attachment I), and direct the Executive Director to submit comments to the Virginia Secretary of Transportation on behalf of the Authority.*
3. **Background:** During the 2014 Session, the General Assembly passed HB 2 which provides for the development of a prioritization process for projects funded by the CTB. The HB 2 process, renamed Smart Scale, must be used for the development of the Six-Year Improvement Program (SYIP). To date, two rounds of funding allocations have been determined using this process.

The CTB and Secretary of Transportation's office have been working on an effort to modify the Smart Scale process. On June 21, 2017, and July 18, 2017, the CTB received presentations from Deputy Secretary of Transportation Nick Donohue on proposed modifications to the process, and discussed the proposals. A Draft Updated Smart Scale Policy and Technical Guide, based on these presentations and discussions, was released on August 21, 2017, and can be found here:

http://vasmartscale.org/documents/dr1_ss_technical_guide_aug2017_compared_to_sept2016.pdf. A summary of the proposed changes is attached.

The CTB scheduled public meetings across the Commonwealth to provide information on the Smart Scale process and various transportation initiatives. The public meeting in Northern Virginia will be held on Monday, September 18, 2017, at 4:00pm, at the Virginia Department of Transportation (VDOT) Northern Virginia District Office. Comments will be accepted informally at the meeting and may also be submitted via letter, email or online. The CTB is tentatively scheduled to adopt the revised Smart Scale Policy, as well as its Policy

and Technical Guide at its meeting in October. If the schedule in the current proposal for Smart Scale modifications is adopted, the submission of basic information on possible applications for the next round of funding will occur in March-May 2018, and final applications will be due August 1, 2018.

A summary of the initial recommended modifications to the Policy Guide and proposed comments are below. If approved, the comments will be transmitted by letter to the Secretary of Transportation:

Project Eligibility

- The current proposal clarifies eligibility language to state that if a significant portion of the project costs are related to the repair or replacement of existing traffic control devices, structures, bridges, or other assets, the project be excluded from consideration in scoring and rating for Smart Scale.
 - *Proposed Comment*
The Authority supports this proposal.

Application Limits

- Currently, there are no limits on the number of projects a jurisdiction or agency can submit. The proposal recommends limiting localities with a population greater than 200,000 and regional entities with a population greater than 500,000 to eight applications per Smart Scale cycle. Localities and agencies with populations less than the thresholds noted would be limited to four applications per cycle.
 - *Proposed Comment*
The Authority does not support a limit on the number of applications. The number of applications submitted by Northern Virginian jurisdictions is an indication of the high level of transportation needs. Additionally, there are few other options to apply for state funding, and the Smart Scale process is the process developed by the Commonwealth to secure funding. If a governing body believes it is in the best interest of its jurisdiction/agency to submit more than four or eight applications (as applicable), it should be allowed to do so. Further, limiting the number of applications entities can submit could adversely impact the region's ability to receive its fair share of statewide transportation funds, as is required by HB 2313 (2013).

As there are various sources utilized for population estimates (such as US Census, Weldon Cooper estimates or projections, etc.) it would be useful to know which is being utilized to categorize applicants.

The Authority would also appreciate clarity in regards to applicants that traverse more than one metropolitan planning area or planning district, such as the Virginia Railway Express (VRE). In the previous Smart Scale rounds, the project applicant for VRE was the Northern Virginia Transportation Commission, one of the two transportation district commissions that co-own VRE. Will Transportation District

Commissions be allowed to submit applications? In the case of VRE, would each of its transit districts be limited, or would the limit count for both entities?

Project Readiness

- The current proposal recommends formalizing and strengthening the policy on required level of project planning, by requiring specific supporting documentation needed for projects. It also recommends that localities provide a resolution supporting the project as part of the application process.

- *Proposed Comment*

The Authority supports efforts to ensure that projects are feasible and that initial planning efforts have been completed prior to the application for Smart Scale funding. However, these requirements seem excessive. Applicants will be submitting requests of funding six years ahead of the anticipated time that funds will be available. The amount of information and documents necessary to submit an application seems highly detailed for this far in advance. Requiring Interchange Justification Reports (IJR) with preferred alternatives, approved signal warrant justifications, and locally preferred alternatives to be identified prior to submitting the application for funding is a heavy burden. Some of these are federally reviewed documents that have limited time spans prior to their expiration. The processes and policies for some of these requirements may change between the time the application is submitted and the project receives funding.

They are also expensive to undertake. It is unlikely an applicant would spend the time and money to develop an IJR without knowing that the project would be funded, especially as the funding will likely not be available for five or six years. Rather than a completed IJR or requiring planning to be at an advanced stage, it may be appropriate to outline the plan for conducting the review and what alternatives are anticipated to be evaluated.

Further, a lot can happen in project development between the time a project application is submitted and the time it receives funding. Applicants receive significant input from stakeholders, and the Commonwealth must understand that these can lead to slight modifications of project scopes.

The guide notes that major widenings would require a demonstration that alternatives have been evaluated and that the alternatives analysis results were used in making a decision on a preferred alternative. The Authority believes a definition is needed to determine what constitutes a “major” widening.

The Authority also believes requiring a resolution of support for all applications from both the applicant and a relevant regional agency is overly cumbersome, as inclusion in a region’s constrained or unconstrained long range plan may not be necessary for every project being submitted for Smart Scale consideration. As such, the Authority may not have evaluated every project for Smart Scale funding

consideration and does not believe that this lack of evaluation should lead to an ineligibility for Smart Scale funding consideration.

Funding Policy

- The current proposal recommends clarifying in the policy that Smart Scale funding is not intended to replace other committed funding sources such as local funding, proffers, and/or other committed state or federal funding sources. Commonwealth staff has stated this would not include mega projects that cost more than \$1 billion.
 - *Proposed Comment*

The Authority believes that “committed” funds must be defined. Some of the requirements being proposed that relate to project readiness include requirements that a funding plan be in place for the project. There is a concern that having this plan in place could adversely impact the ability to apply for funding to complete the project. Further, while this policy may not affect projects costing greater than \$1 billion, there are other large projects that may not rise to that level. The Authority is concerned that this will impact the ability to leverage different types of funds (local and regional).

Congestion

- The current proposal recommends modifying the measure to account for an increase in person miles traveled allowed by the project within the capacity of the facility. The draft guide also notes that the Smart Scale team is currently evaluating options to revise the congestion mitigation measure.
 - *Proposed Comment*

The technical guide notes that proposed changes to this measure are still being evaluated. As this measure accounts for a large percentage of the Smart Scale score for applicants in Northern Virginia, the Authority believes more information is necessary to understand this proposal. Understanding the importance of multimodal transportation options in our region, the Authority also believes it is important to know how transit projects will be assessed and accommodated.

Economic Development – Site Development

- The current proposal recommends several changes to the Economic Development Measures, including:
 - Providing up to 0.5 points for a project within economically distressed areas.
 - Considering the establishment of maximum square footage based on project type and based on current level of development - cannot exceed x% of total current square footage in jurisdiction(s).
- *Proposed Comment*

Regarding economically distressed areas, the Authority has concerns about providing points to economically distressed areas, based on zip codes. Projects in an economically distressed part of a locality/zip code should also be eligible for such credit, whether or not the area around it, as a whole, is distressed, as such projects are often part of revitalization/redevelopment efforts.

The Authority also believes that the project support for economic development may only account for new development, rather than also including redevelopment. The Authority would appreciate clarification on how redevelopment will be considered under this measure.

The Authority believes more information is necessary to understand and comment on the proposal related to the percentage of total current square footage in jurisdiction(s).

Land Use

- The current proposal notes that Commonwealth staff has developed new methodology which examines accessibility to key non-work destinations, such as grocery stores, healthcare, education, etc. The proposal also includes specific definitions of mixed-use development.
 - *Proposed Comment*
The Authority believes more information is necessary to understand and comment on this proposal.

Accessibility

- The current proposal recommends the elimination of the 45 and 60 minute cap for auto and transit job access, respectively. Instead, the jobs are weighted based on a travel time decay function, where jobs within a shorter travel time are weighted more than jobs farther away.
 - *Proposed Comment*
The Authority believes additional information is necessary to understand the impact of the new methodology being proposed to evaluate access to jobs. Please share the decay curve(s) proposed for each mode.

Freight Rail

- The current proposal identifies several factors where benefits to freight rail are to be taken into account. The methodology being used to evaluate benefits of rail capacity expansion is not identified.
 - *Proposed Comment*
The Authority believes that additional information is necessary to understand how rail capacity and related commuter rail services are evaluated. If a project includes track and signal work, the project benefits could include increased capacity for freight rail, as well as commuter rail services.

Schedule

- The current proposal recommends updating the schedule for Smart Scale to provide sufficient time for application intake and project evaluation.
 - *Proposed Comment*

The Authority has concerns over the length of the application process and the amount of information required. As noted in our comments in regard to project readiness, applicants will be submitting requests of funding six years ahead of the anticipated time that funds will be available. The amount of information and documents necessary to submit an application seems highly detailed for this far in advance.

Attachment(s): Summary of Proposed Process/Policy Changes to Smart Scale

Coordination: Regional Jurisdiction and Agency Coordinating Committee



SMART SCALE

*Funding the Right
Transportation Projects
in Virginia*

Process/Policy Changes
Staff Recommendations to CTB

8/31/17

SMART SCALE Update Policy/Process - Proposed Changes

- **Biennial Schedule**
 - Begin application intake March 1st 2018
 - June 1st deadline for creation of an application
 - August 1st submission deadline
 - Early Screening and Eligibility Decisions
- **Application Limits**
 - Two-Tiered Population-based approach

Localities	MPOs/PDCs/Transit Agencies	Maximum Number of Applications
Less than 200K	Less than 500K	4
Greater than 200K	Greater than 500K	8

SMART SCALE Update Policy/Process - Proposed Changes

- **Project Readiness**
 - Formalize and strengthen policy on required level of project planning
 - ***New interchange on limited access facility***
 - IJR with preferred alternative
 - ***Grade separation of at-grade intersection***
 - At-grade improvement options have been assessed
 - ***New signal***
 - Signal warrants have been met and signal justified
 - ***Major widening***
 - Corridor optimization and alternatives to new lanes have been evaluated
 - ***Demonstrate*** that a project has ***public support***, requiring resolution of support from governing body

SMART SCALE Update

Policy/Process - Proposed Changes

- **Project Eligibility**
 - Clarify the ineligibility of maintenance and State of Good Repair (SGR) projects
 - If project scope is mostly the repair or replacement of existing assets then it is not eligible for SMART SCALE. Examples include:
 - Signal system replacement (mast arms, signal heads)
 - Bridge replacement with wider lane widths and/or ped accommodations
- **Full Funding Policy**
 - Program not intended to replace committed local/regional funding sources, proffers, and/or other committed state/federal funding sources
 - If \$ request is to add components to existing fully funded project then requested components will be analyzed independently
- **Relationship of Major Project Elements**
 - Add guidance that project elements must be associated (contiguous or same improvement type)

SMART SCALE Update

Scoring/Technical - Proposed Changes

- **Congestion**
 - Person throughput – scale based on length
- **Safety**
 - Remove DUI crashes and use blended rate for fatal and severe injury crashes
- **Accessibility – A.1 and A.2 - Access to Jobs**
 - Eliminate the 45 and 60 minute cap for auto and transit job access respectively
- **Land Use**
 - More specific definitions of mixed-use development
 - New methodology - Accessibility to key non-work destinations such as grocery, healthcare, education, etc.

SMART SCALE Update

Scoring/Technical - Proposed Changes

- **Economic Development - ED.1 - Site Development**
 - Zoned properties must get primary access from project
 - Remove 0.5 points for consistent with local and regional plans - project specifically referenced in local comp plan or regional economic development strategy = 0.5 points
 - Project within economically distressed area up to 0.5 points
 - Reduce buffer to max of 3 miles
 - Conceptual (0.5, 1) vs detailed site plans (2, 4 points) – points based on whether submitted or approved
 - Considering establishment of maximum square footage based on project type and based on current level of development - cannot exceed x% of total current square footage in jurisdiction(s)
- **Economic Development - ED.2 - Intermodal Access**
 - Scale freight tonnage-based measure by the length of the improvement

SMART SCALE Update

Scoring/Technical - Proposed Changes

- **Additional Resources and comments**
 - Link to draft technical guide
 - http://vasmartscale.org/documents/dr1_ss_technical_guide_aug2017_final.pdf
 - Link to CTB Presentations
 - http://www.ctb.virginia.gov/resources/2017/june/ctb_retreat_recommendations_for_improving_smart_scale2.pdf
 - http://www.ctb.virginia.gov/resources/2017/july/pres/5_smart_scale.pdf
- Comments on proposed changes can also be entered on the SMART SCALE website at http://smartscale.org/provide_feedback/default.asp or via email at SMARTPORTAL@CTB.Virginia.gov.
- **Next Steps**
 - Special training session on the SMART SCALE application process and Smart Portal on **Wednesday, September 20th from 1:00PM to 3:30PM** in the Potomac Conference Room at the VDOT NoVA District office building.