COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818
Fax: (804) 786-2940

MINUTES
MEETING OF THE COMMONWEALTH TRANSPORTATION BOARD
WORKSHOP MEETING
VDOT Central Auditorium
1221 East Broad Street
Richmond, Virginia 23219
September 15, 2026
9:00 a.m.

The workshop meeting of the Commonwealth Transportation Board was held in the Central Office Auditorium of the Virginia Department of Transportation in Richmond, Virginia, on September 15, 2026. The Chairman, Nicholas Donohue, presided and called the meeting to order at 9:02 a.m. beginning with the Pledge of Allegiance.

Present: Messrs. Davis, Fowlkes, Good, Gribbin, Minchew, Morison, Moye, Payne, Smoot, Stant, Ms. Dunlop, Ms. Green, Ms. Johnson, Ms. Radcliff, Mr. Brich, ex officio, Commissioner of Highways and Ms. Mariia Zimmerman, ex officio, Director of the Department of Rail and Public Transportation

Absent: None

Agenda 1. Transforming Transit
Assessing Current and Future Transit Needs and Opportunities
Mariia Zimmerman, Virginia Department of Rail and Public Transportation
Referenced by attachment of presentation.

Agenda 2. Proposed MERIT and TRIP Policy Changes
Allan Fye, Virginia Department of Rail and Public Transportation
Referenced by attachment of presentation.

Agenda 3. WMATA Annual Reporting Requirements
Sarah Husain, Virginia Department of Rail and Public Transportation
Referenced by attachment of presentation.

Agenda 4. WMATA CTB Policy Review
Sarah Husain, Virginia Department of Rail and Public Transportation
Referenced by attachment of presentation.

Agenda 5. Virginia Highway Safety Improvement Plan
Mark Cole, Virginia Department of Transportation
Bethel Kefyalew, Virginia Department of Rail and Public Transportation
Brandy Brubaker, Virginia Department of Motor Vehicles
Referenced by attachment of presentation.

Agenda 6. Hampton Roads Bridge Tunnel Expansion
Side Letter to Amend PAFA
Kimberly Pryor, Virginia Department of Transportation
Ryan Pedrazza, Counsel, Hunton Andrews Kurth, LLP
Referenced by attachment of presentation.

The Chair suspended the meeting at 12:01 p.m. on September 15, 2026, for lunch with guidance that he would reconvene the meeting at 1:00 p.m. on September 15, 2026.

The Chair called the suspended meeting to order at 1:00 p.m. on September 15, 2026.

Agenda 7. VDOT Resilience Efforts
Chris Swanson, Virginia Department of Transportation
Referenced by attachment of presentation.

Agenda 8. Virginia's Integrated Solution for Traffic Operations Applications
Robert Alexander, Virginia Department of Transportation
Referenced by attachment of presentation.

Agenda 9. 2026 Maintenance and Operations Review - Special Structures
Stephen Brich, Virginia Department of Transportation
Referenced by attachment of presentation.

Agenda 10. Pavement and Bridge Funding Needs
Laura Schewel, Deputy Secretary of Transportation
Referenced by attachment of presentation.

Agenda 11. Proposed PPEA Guidelines Adoption
Faizan Habib, Virginia Department of Transportation
Referenced by attachment of presentation.

Agenda 12. Access Program Updates
Terry Short, Virginia Department of Transportation
Michael Todd, Virginia Department of Rail and Public Transportation
Referenced by attachment of presentation.

Agenda 13. SMART SCALE Proposed PROJECT CANCELLATIONs
Monticello Ave-Richmond Rd-Lafayette St Roundabout (UPC 115505)
Southside Bicycle and Pedestrian Improvements (UPC 123054)
Jason Robinson, Virginia Department of Transportation
Referenced by attachment of presentation.

Agenda 14. Development and Delivery
Proposed Updates to SYIP Development and Management Policy
Jason Robinson, Virginia Department of Transportation
Referenced by attachment of presentation.

Agenda 15. Project Pipeline 101
Chad Tucker, Office Intermodal Planning and Investment
Referenced by attachment of presentation.

The Chair suspended the Workshop meeting at 4:40 p.m. on September 15, 2026, with guidance that the suspended meeting would reconvene after the Public Comment portion of the September 16, 2026, Action meeting, scheduled for 9:00 a.m.

The suspended workshop meeting was called to order at 9:10 a.m. on September 16, 2026.

Agenda 16. 495 Southside Concept
Carter Hutchinson, Deputy Secretary of Transportation
Referenced by attachment of presentation.

Agenda 17. Director's Items
Mariia Zimmerman, Virginia Department of Rail and Public Transportation
Referenced by attachment of presentation.

Agenda 18. Commissioner's Items
Stephen Brich, Virginia Department of Transportation

Agenda 19. Secretary's Items
Nicholas Donohue, Secretary of Transportation

ADJOURNMENT:
The meeting adjourned at 10:39 a.m. on September 16, 2026.
Respectfully Submitted:
Carol Mathis,
Assistant Secretary to the Board

###

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818
Fax: (804) 786-2940

COMMONWEALTH TRANSPORTATION BOARD
WORKSHOP AGENDA

VDOT Central Office Auditorium
1221 East Broad Street
Richmond, Virginia 23219
September 15, 2026
9:00 a.m.

1. Transforming Transit
   Assessing Current and Future Transit Needs and Opportunities
   Mariia Zimmerman, Virginia Department of Rail and Public Transportation

2. Proposed MERIT and TRIP Policy Changes
   Allan Fye, Virginia Department of Rail and Public Transportation

3. WMATA Annual Reporting Requirements
   Sarah Husain, Virginia Department of Rail and Public Transportation

4. WMATA CTB Policy Review
   Sarah Husain, Virginia Department of Rail and Public Transportation

5. Virginia Highway Safety Improvement Plan
   Mark Cole, Virginia Department of Transportation
   Bethel Kefyalew, Virginia Department of Rail and Public Transportation
   Brandy Brubaker, Virginia Department of Motor Vehicles

6. Hampton Roads Bridge Tunnel Expansion
   Side Letter to Amend PAFA
   Kimberly Pryor, Virginia Department of Transportation
   Ryan Pedrazza, Counsel, Hunton Andrews Kurth, LLP

7. VDOT Resilience Efforts
   Chris Swanson, Virginia Department of Transportation

8. Virginia's Integrated Solution for Traffic Operations Applications
   Robert Alexander, Virginia Department of Transportation

9. 2026 Maintenance and Operations Review - Special Structures
   Stephen Brich, Virginia Department of Transportation

10. Pavement and Bridge Funding Needs
    Laura Schewel, Deputy Secretary of Transportation

11. Proposed PPEA Guidelines Adoption
    Faizan Habib, Virginia Department of Transportation

12. Access Program Updates
    Terry Short, Virginia Department of Transportation
    Michael Todd, Virginia Department of Rail and Public Transportation

13. SMART SCALE Proposed PROJECT CANCELLATIONs
    Monticello Ave-Richmond Rd-Lafayette St Roundabout (UPC 115505)
    Southside Bicycle and Pedestrian Improvements (UPC 123054)
    Jason Robinson, Virginia Department of Transportation

14. Development and Delivery
    Proposed Updates to SYIP Development and Management Policy
    Jason Robinson, Virginia Department of Transportation

15. Project Pipeline 101
    Chad Tucker, Office Intermodal Planning and Investment

16. 495 Southside Concept
    Carter Hutchinson, Deputy Secretary of Transportation

17. Director's Items
    Mariia Zimmerman, Virginia Department of Rail and Public Transportation

18. Commissioner's Items
    Stephen Brich, Virginia Department of Transportation

19. Secretary's Items
    Nicholas Donohue, Secretary of Transportation

Transforming Transit

Assessing Current and Future Transit Needs and Opportunities

Mariia Zimmerman, Director

September 15, 2026

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

What is this presentation?

- Informational only
- No CTB action required

DRPT is kicking off an 18-month Transit Transformation Study to better understand needs and opportunities for transit across the Commonwealth. The study is part of a larger set of activities DRPT is advancing to improve operational efficiencies, accelerate project delivery, grow ridership and provide mobility options that support economic growth

<u>Areas of Focus</u>

- Overview of Current Transit Performance Statewide
- Trends in Transit Impacting Future Scenarios
- Ways That DRPT is Responding

Transit Today in Virginia

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Public Transportation in Virginia by VDOT District

BRISTOL
- 8 Bristol Virginia Transit (BVT)
- 15 Four County Transit
- 17 Graham Transit
- 26 Mountain Empire Transit
- 27 Mountain Lynx

CULPEPER
- 10 Charlottesville Area Transit (CAT)
- 23 Jaunt
- 38 Virginia Regional Transit (VRT)

FREDERICKSBURG
- 16 FXBGO!
- 4 Bay Transit
- 37 Virginia Railway Express (VRE)

HAMPTON ROADS
- 20 Greensville Emporia Transit (GET)
- 21 Hampton Roads Transit (HRT)
- 30 PONY Express
- 34 Star Transit
- 35 Suffolk Transit
- 39 Williamsburg Area Transit Authority (WATA)

LYNCHBURG
- 2 Altavista Community Transit System (ACTS)
- 7 Blackstone Area Bus System (BABS)
- 11 Danville Transit System
- 14 Farmville Area Bus (FAB)
- 18 Greater Lynchburg Transit Company (GLTC)
- 23 Jaunt
- 24 Lake Area Bus / Halifax Area Rural Transportation

NOVA
- 1 Alexandria DASH
- 3 Arlington Transit (ART)
- 12 Fairfax Connector
- 13 Fairfax CUE
- 25 Loudoun County Transit (LC Transit)
- 28 OmniRide
- 37 Virginia Railway Express (VRE)
- 38 Virginia Regional Transit (VRT)
- 41 WMATA

RICHMOND
- 4 Bay Transit
- 7 Blackstone Area Bus System (BABS)
- 19 Greater Richmond Transit Company (GRTC)
- 24 Lake Area Bus / Halifax Area Rural Transportation
- 29 Petersburg Area Transit (PAT)

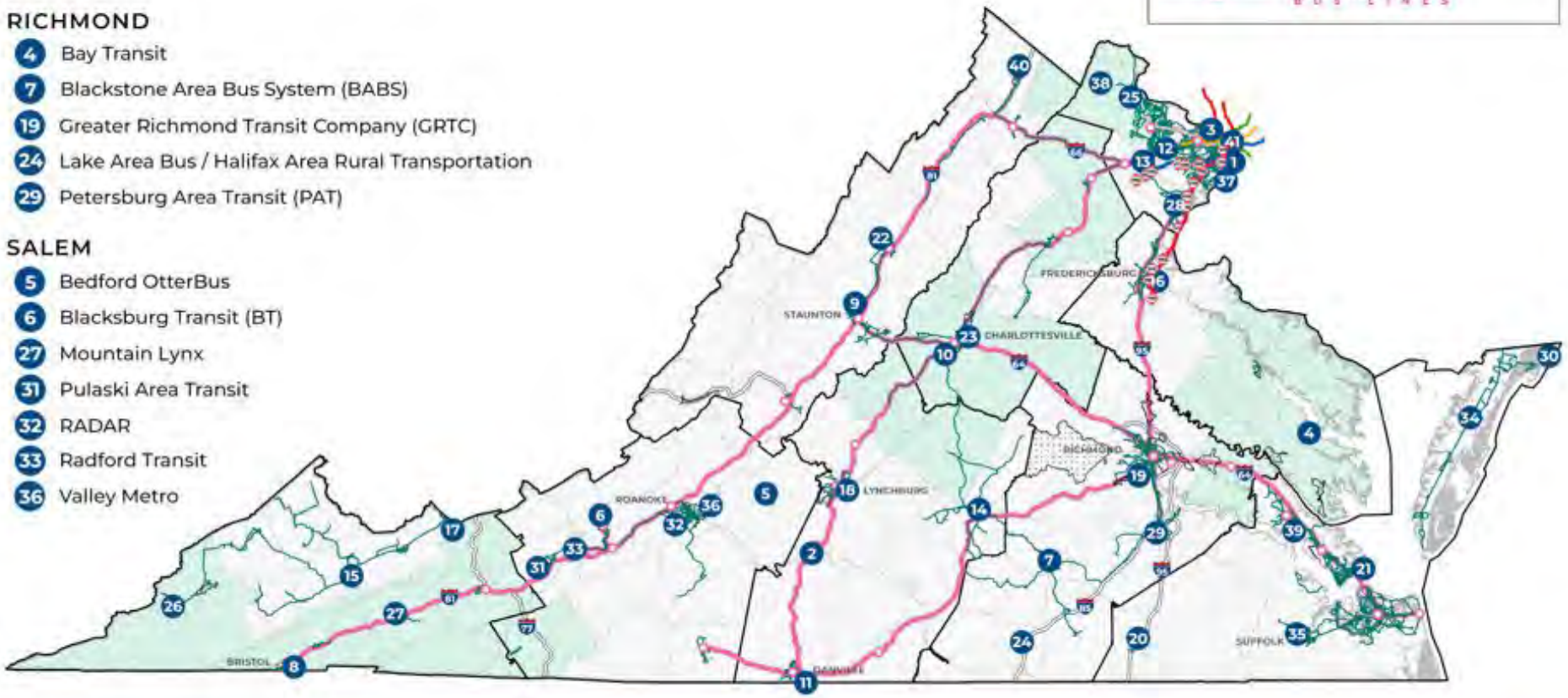
SALEM
- 5 Bedford OtterBus
- 6 Blacksburg Transit (BT)
- 27 Mountain Lynx
- 31 Pulaski Area Transit
- 32 RADAR
- 33 Radford Transit
- 36 Valley Metro

STAUNTON
- 9 BRITE
- 22 Harrisonburg Dept. of Public Transportation (HDPT)
- 32 RADAR
- 38 Virginia Regional Transit (VRT)
- 40 WinTran

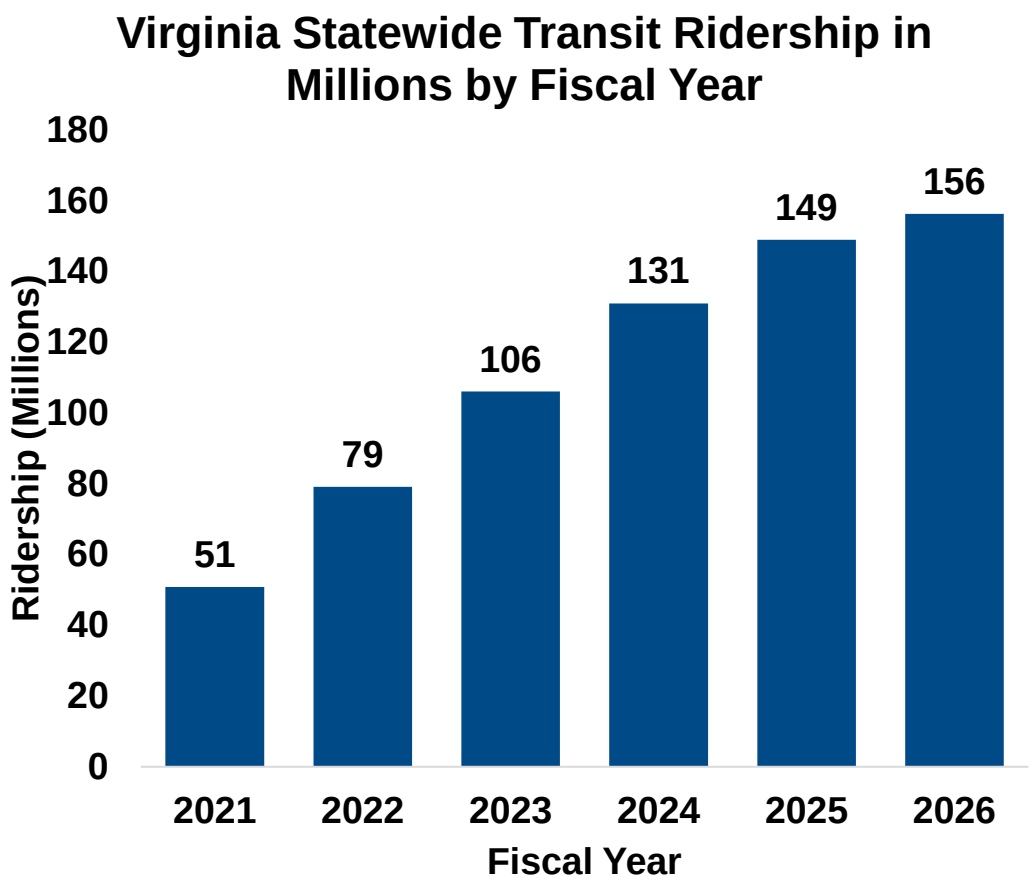
Fixed Route Service Areas
(Includes Fixed-Route + ADA Paratransit + Deviated Fixed Route)

Demand Response Service Areas
(includes Demand Response Service available to all riders)

Microtransit Service Zone
(app-based Demand Response Service available to all riders)



Statewide Transit Ridership



Source: DRPT Open Data Portal, Transit Performance Measures

- Virginia's statewide transit ridership has grown since FY 2021-lows
- Changing commutes, emerging transit needs, and new investments in services have changed ridership patterns differently in different parts of the Commonwealth
- Agencies with highest recent ridership growth come from across the Commonwealth:
  - DASH (Alexandria) (FY 2026 Ridership 170% of FY 2019)
  - Fairfax CUE & Petersburg Area Transit (FY 2026 ridership 150% of FY 2019)
  - GRTC (Richmond) (FY 2026 Ridership 135% of FY 2019)
  - Mountain Empire Transit (FY 2026 ridership 130% of FY 2019)
  - FXBGo! (FY 2026 Ridership 115% of FY 2019)

Changing Mobility and Commuter Demands

- Traffic congestion increasing in metropolitan areas along with increased costs of driving for all Virginians
- Fewer young adults are getting drivers licenses
- Virginia's population is aging, and more senior citizens require transportation
- Growing demand for transit beyond the 5-day work commute trip and "rush hours"
- Rural hospitals are closing, and the distance to travel for medical care is growing, increasing the need for alternative transportation options than driving
- More localities and non-profit organizations are evaluating or seeking transportation solutions as mobility needs evolve

Transit is more than just ridership

"I am a retiree on a fixed income, and transit helps us save a lot of money by getting by with one vehicle. And when we had health problems that prevented us from driving, transit was a lifeline."

"Often drivers will help me in knowing my stops, this is because they know me by name. 'Ms. Deborah this is your stop' or hand me my bags. This is because I am always talking to other riders and sharing stories on the bus. My daughter, Jackie always keeps extra change on her in case someone is short of the fare. Jackie is disabled and this keeps her happy to serve others. The bus sometimes becomes our ministry to serve."

"I ride the Tide almost every day. Several workers in my building do too, and I've gotten to know them better from those shared Tide rides! PT is a connector of people not just places."

"Riding the 78 with my 2 kids (5 and 8) from a stop 2 blocks from our neighborhood. Their sense of empowerment knowing that soon, they will be able to ride the bus alone."

An Impressive Return on Investment

- For the $963 million in funding allocated to public transportation in the FY27 SYIP:
  - Transit services mitigate congestion and save users **$681 million a year in time savings alone,** per the 2020 DRPT Economic Impact of Transit study.
  - Public transportation generated **$3.4 billion in economic value,** per the 2020 DRPT Economic Impact of Transit study. Transit enables people to access higher paying jobs and education that support personal economic mobility.
  - Transit is a **safe mode of travel**. Since 2019, the National Transit Database indicates that there have been only 5 fatalities on transit in Virginia.
  - Public transportation also produces **45% less carbon dioxide and 95% less carbon monoxide** per passenger mile than personal automobiles, per data from the EPA.
  - Transit, including specialized transportation and paratransit services, help **reduce healthcare costs**. According to National Health Interview Survey, among all individuals surveyed with chronic conditions, those experiencing transportation difficulties were 62% more likely to seek higher cost care in emergency departments.

Trends Impacting Transit Needs and Opportunities

Emerging trends, challenges, opportunities

Trends

- Expansion of transit across the Commonwealth
- Affordability and zero-fare programs
- Proliferation of microtransit

Challenges

- Funding limitations
- Project delivery
- Changing priorities

Opportunities

- Safety and Design Division
- Funding innovation

Service Expansion + New Providers = More Transit

- **Future and Current Expansions**
  - Transit agencies seek to grow service areas & service intensity in response to local demand
  - Providers are expanding their footprints as transit needs grow
  - Numerous plans and studies for major expansions, new services, or creation of new transit authorities are underway
  - Major capital projects are currently in development, being planned, or under construction
  - New vanpool service being launched, including in rural regions

- **New and Future Transit Providers**
  - Newest public transportation providers in Virginia: Bedford Otter Bus
  - Several counties, non-profits, or other entities are studying or testing public transportation as an option
  - Other counties or non-profits express interest in expanding transit

Providing Innovative Approaches to Transit

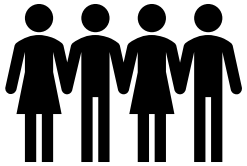
- **System Optimization Planning**
  - Numerous transit agencies across Virginia are studying and implementing plans for system optimization, ie HRT System Optimization Plan
  - This includes better route planning, removing unneeded stops, and eliminating or replacing low-performing routes with microtransit

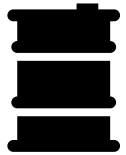
- **Growth of Microtransit**
  - Technology-enhanced demand responsive door-to-door public transportation
  - 11 Virginia public transportation agencies provide microtransit, many in rural areas

Transit Capital Projects

- **Bus Rapid Transit (BRT) Systems**
  - Several regions of Virginia are studying, actively planning, or preparing to construct BRT networks to provide more frequent, high-capacity transit on heavily used corridors.
- **Expansion and Modernization of Systems**
  - Transfer centers, operations and maintenance facilities needed to support system growth.
  - New technology deployment and Electric Vehicle expansion.
- **Capital Project Pipeline Grows, but Delivery Often Delayed**
  - Major capital transit projects often cross multiple jurisdictions and operate on VDOT or locally-managed roadways requiring coordination beyond the transit agency.
  - Many transit agencies lack internal capacity to manage a major capital project from planning through construction.
  - Funding for planning and preliminary engineering, design and cost estimation work is limited.
  - State capital funding has historically only been allocated on an annual basis.

Growing Costs, Many Outside of Transit's Control





DRPT's operating assistance program accounted for 22% of all transit operating costs in FY23 but is projected to account for only 15% of all transit operating costs by FY32.

The Federal Transit Administration does not provide operating funds to urban transit providers.

Current demand exceeds available federal 5311 (rural) and 5310 (human service transportation) funding; compounded by loss of advanced appropriations.

Transit capital budgets and capital projects are constrained by several factors:

- Local match rates limit DRPT capital funding.
- DRPT historically has utilized an annual, itemized capital funding process.
- Many transit providers need assistance in developing major capital projects and rely on consultants, in contrast to highway projects which benefit from VDOT technical support.

New Challenges and Opportunities

- **Transit Safety and Security Concerns**
  - Transit Workers
  - Transit Riders / Vulnerable Road Users
  - Potential Riders
  - AI and Digital Technologies

- **Customer Experience On and Off the Bus**
  - Shelters, sidewalks, lighting
  - Real time information and mobile applications

- **Economic Development, Housing and Place Making**
  - Transit Supportive Land Use
  - Transit Oriented Development
  - First and Last Mile connections

Transforming Transit: How DRPT is Responding

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Creating a Safety and Design Division

- DRPT recently elevated its engineering and safety teams to a division level creating a new Safety and Design division.
- The Safety and Design Division will focus on initiatives to promote safety and security through training, technical assistance, engineering and design initiatives.
- This will be done through:
  - Creating standards and guidelines for common transit features like bus shelters.
  - Developing a simple approval process for transit features.
  - Providing training programs to support agencies in implementing new and existing federal safety and security guidance and requirements.
  - Utilizing transit and rail safety data analytics to guide needed investments and interventions.

Finding New Approaches to Funding and Innovation

- **MERIT Operating and TRIP Program Changes**
  - Proposed changes to the MERIT Operating Assistance program, to be voted on by the CTB, will create an easier to understand, more stable operating assistance program.
- **MERIT Capital Program Needs**
  - DRPT is undertaking an assessment of the state's approach to major capital projects and allocating State of Good Repair MERIT funding to ease administrative burden, improve project delivery and promote multi-year programming.
- **Modernizing DRPT's Grant Management Systems**
  - DRPT is updating its financial and grant management systems to harmonize agency data to better track grant and project delivery progress.
- **Promoting Innovation**
  - DRPT will be exploring new statewide procurement opportunities, especially to support new technology adoption; and emerging AI technologies to achieve cost efficiencies & improve service.

Launching the Transit Transformation Study

- Between September 2026 – December 2027, the Transit Transformation Study will provide a comprehensive overview of public transportation in Virginia:
  - Quantify benefits of state investment in transit
  - Identify barriers and cost challenges affecting transit
  - Map strategic transit needs and long-range investment plans adopted at local/regional scale to provide a statewide picture of transit in the future
    - Regional Snapshots
    - Rural Transit Strategy
  - Build out scenarios for public transportation:
    - What are the costs and needs to maintain our statewide transit system, as it is now?
    - What are the most pressing needs in Virginia, and the costs to meet those needs?
    - What does true transformation look like, and what are the associated costs?

Guiding Future Policy and Investment

- Significant public engagement is planned as part of the study:
  - Traditional transportation and transit partners.
  - Business leaders, employers, health care, university and colleges, housing and community development partners, and more!
- DRPT will apprise CTB along the way and bring forth policy recommendations for the Board's consideration.
- The Study may identify areas where internal policy, CTB policy, or Virginia law unintentionally create barriers to improving public transit, or where new opportunities exist to improve transit delivery and effectiveness.
- The Study will create short, medium, and long-term goals and objectives for public transportation in Virginia.

Questions?

DRPTPR@drpt.virginia.gov

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Proposed MERIT & TRIP Policy Changes

CTB Workshop

September 15, 2026

DRPT

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

MERIT/TRIP Policy Change Briefing

- No action by CTB on MERIT or TRIP policies at September meeting
- DRPT will seek CTB approval on policy changes for the MERIT Capital, MERIT Operating, and TRIP programs at the October CTB meeting.
- Policy Changes will take effect for the FY2028 funding cycle that opens in December 2026

Acronym Guide

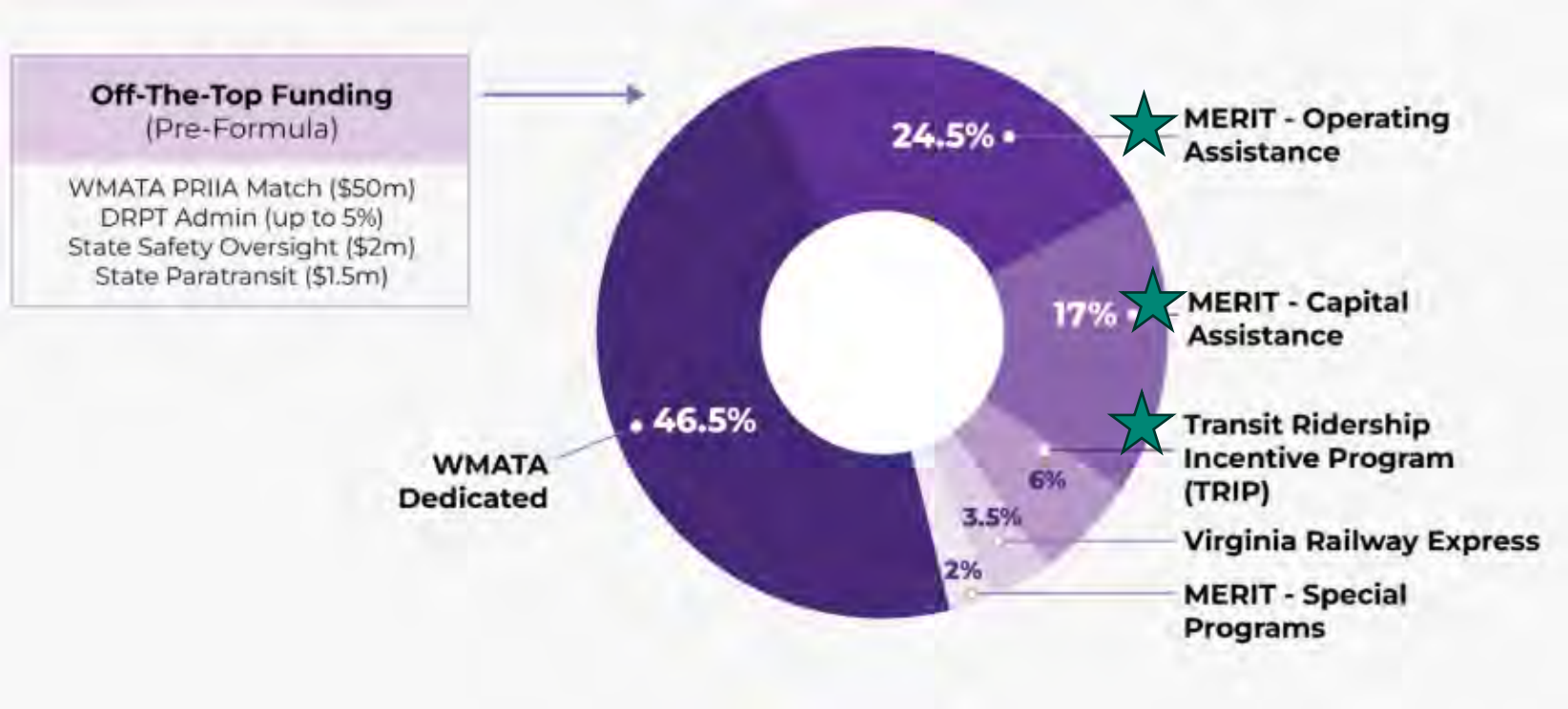
- MERIT: Making Efficient and Responsible Investments in Transit
- TRIP: Transit Ridership Incentive Program

Policy Goals for Transit Funding

- Big Picture
  - DRPT annually allocates a fixed amount of operating funding to 39 agencies
    - CTB policy includes a cap of 30% total operating support for any one transit agency in a fiscal year
  - Transit looks different across the Commonwealth and directly reflects the needs of the community being served
    - Rural Communities – access to healthcare and vital services across large geographic areas
    - Small Urban – service to colleges and universities as well as small cities
    - Large Urban – focus on congestion relief, high-capacity transit corridors, regional mobility, and economic/climate benefits
- Primary Policy Goals
  - Stability – ensure transit agencies continue to provide vital service and enable improved multi-year fiscal programming
  - Incentivize Good Performance – focus on maximizing operational efficiency, rewarding ridership growth, and improving the customer experience

Commonwealth Mass Transit Fund (CMTF)

Commonwealth Mass Transit Fund (CMTF)



Making Efficient and Responsible Investments in Transit (MERIT)

- § 33.2-1526 establishes the Commonwealth Mass Transit Fund (CMTF).
- § 33.2-1526.1 defines how CMTF funding is distributed to DRPT transit programs; authorizes the CTB to establish policies for each program.
- DRPT is bringing forward recommended policies changes for three (3) of its transit funding programs for CTB consideration:
  1. MERIT Operating Assistance
  2. MERIT Capital Assistance
  3. Transit Ridership Incentive Program (TRIP)

CTB Role in Prioritizing CMTF Funding

- § 33.2-1526 establishes the Commonwealth Mass Transit Fund (CMTF).
- § 33.2-1526.1 defines how CMTF funding is distributed and authorizes CTB to establish policies for each program.
- § 33.2-214.4 develops a framework for how the CTB and DRPT shall prioritize the use of CMTF funding, specifically MERIT Capital and MERIT Operating funding programs, including minimum three-year review of program policies.
- § 33.2-214.4 and § 33.2-1526.3 require the Transit Service Delivery Advisory Committee (TSDAC) to assist DRPT in the review of these program policies

- February 2026 – CTB provided DRPT with additional time to 1) examine/propose changes to the MERIT Operating formula, 2) conduct further engagement with TSDAC and stakeholders, and 3) present proposed formula and policy changes to CTB for adoption in October 2026

Stakeholder Engagement Summary

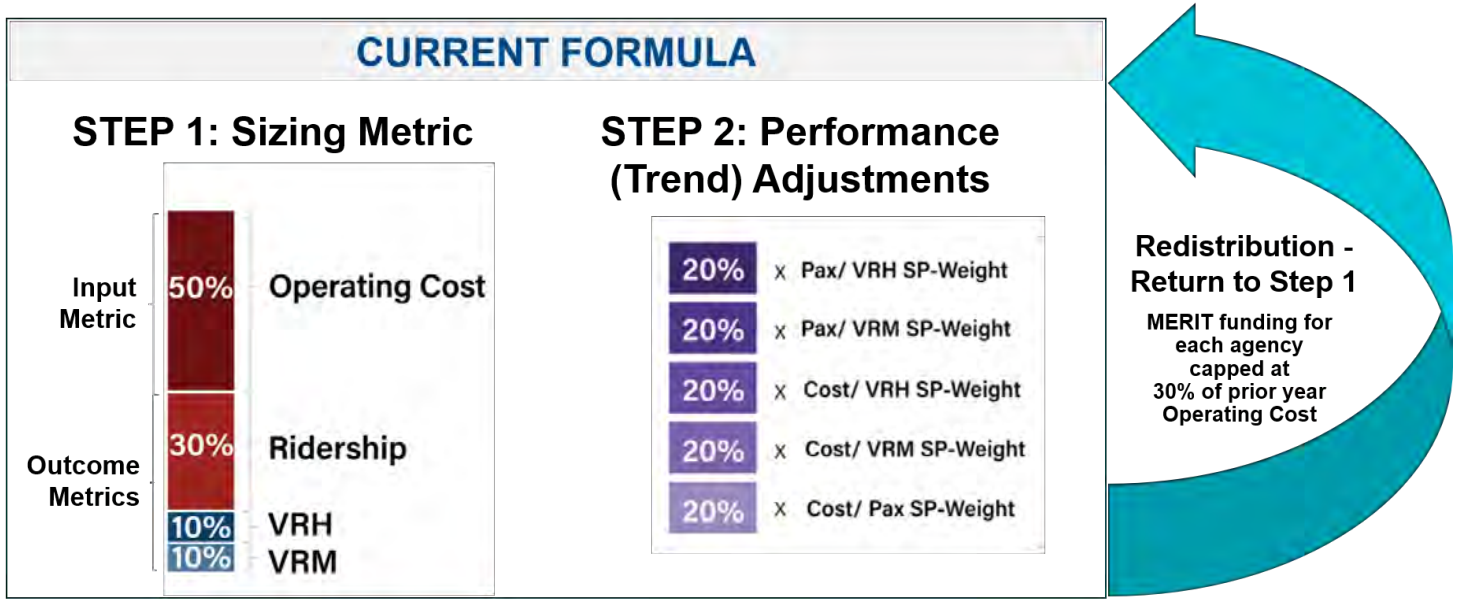
DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

2025 – 2026 Stakeholder Engagement

Transit Service Delivery Advisory Committee	Appointment Body
John McGlennon (Chair), James City County	Virginia Association of Counties
Cindy Mester (Vice Chair), City of Falls Church	Virginia Municipal League
Dr. Ray Smoot, CTB	DRPT
Paula Melester, BRITE	DRPT
Brian Booth, Blacksburg Transit	Community Transportation Association of Virginia
Kate Mattice, NVTC	Virginia Transit Association
Noelle Pinkard, Hampton Roads Transit	Virginia Transit Association

- DRPT engaged every transit agency in the Commonwealth during this process, along with outreach to the Virginia Association of MPOs, Virginia Association of Counties and Virginia Municipal League
- 13 TSDAC Meetings, Seven Virtual Stakeholder Workshops, and Three In-Person Stakeholder Workshops
- Formal 45-day Public Comment period from August 3 – Sept 18, 2026
  - DRPT will report on any public comments submitted at the October CTB meeting

Existing MERIT Operating Formula



Pax = Passengers
VRH = Vehicle Revenue Hour*
VRM = Vehicle Revenue Mile*
* Includes deadhead for Commuter Bus services

- One size fits all
- Complex formula loop until all revenue is allocated
- No clear performance metrics for agencies to work towards

Stakeholder Feedback Themes

Need for…	Because…
Simplification	The current formula is difficult to understand for transit partners and decision-makers (i.e. performance adjustments, trends, reiterations)
Transparency	The process for developing formula concepts and making refinements needs more clarity
Predictability	Year-over-year variations in Operating Assistance allocations makes it difficult to plan and budget
Collaborative	Need time to discuss formula concepts and desired outcomes in an effort to reduce unintended consequences
Rewarding	The formula should reward agencies that meet performance criteria aligned with CTB and administration policy goals

Transit Ridership Incentive Program (TRIP)

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

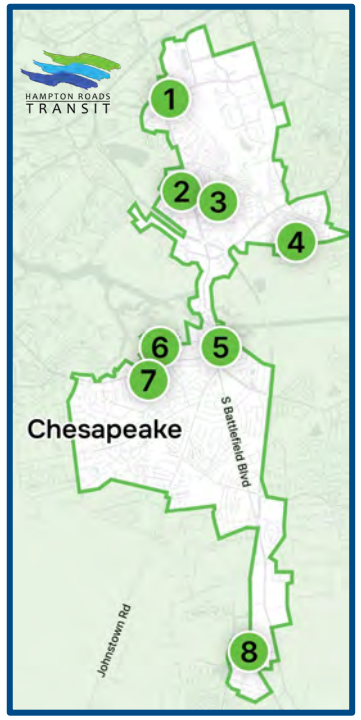
Transit Ridership Incentive Program (TRIP)

- **2020:** Established to support projects that promote increased ridership in urban areas and reduce barriers to transit use for low-income individuals.
- **2023-2026:** Legislature amended to promote improved transit service across the Commonwealth through:
  1) Identification and establishment of routes of regional significance
  2) Establishment of programs to reduce the impact of fares on low-income individuals
  3) Supporting local, regional, and state entities in improving the accessibility and safety of transit bus passenger facilities (added 2023)
  4) Encouraging innovative approaches to micromobility, paratransit, and other specialized transportation (added 2026)

Projects Funded by TRIP

- **Chesapeake Microtransit Zone** (Hampton Roads Transit)
  - App-enabled demand-response service
  - Connects Chesapeake residents to 4 bus routes
  - FY26: Over 1,600 trips with an 11-minute average wait

- **Afton Express Commuter Bus** (BRITE Bus)
  - Connects Central Shenandoah Valley to jobs in Charlottesville
  - Replaced 23,725 single-occupancy vehicle trips in 2025



- **Glebe Road Bus Stop Improvements** (Arlington Transit)

- **Zero-Fare Passes** (Fairfax Connector)
  - Eligible participants include older adults, lower-income adults, and Metro Access users.

HB 200 (McQuinn)
Transit Entities, certain; funding and administration

- § 33.2-1526.3 incorporates the changes from HB 200 in the Transit Ridership Incentive Program (TRIP):
  - Simplifies programmatic requirements and reduces various funding limitations
  - Allows rural agencies to apply for all project types
  - Adds a new "innovative approaches to micromobility, paratransit, and other specialized transportation“ project type
  - Adds that the CTB, in conjunction with TSDAC, shall establish the program guidelines and review those guidelines every three years

TRIP: Proposed Policy

- DRPT recommends the following policy changes to being the program in alignment with 2026 legislative changes:
  a) Expand applicant pool to include local governments and tribes with state or federal recognition
  b) Define ‘routes of regional significance’ as transit services that address regional travel needs as described in a regional plan or study
  c) Add ‘other transit-dependent populations’ to the provision of transit passes
  d) Establish guidance for the new ‘Enhanced Mobility Innovation’ category
  e) Remove ‘trainings’ as DRPT provides specific funding sources for trainings through other programs

TRIP Funding Opportunities

Regional Connectivity

Identify, establish, or improve routes of regional significance

- Regionally significant transit services
- Frequency or service enhancements
- Bus-only lanes
- Regional fare integration

Zero and Reduced Fare

Establish programs to reduce the impact of fares on low-income individuals

- Providing reduced or zero fare passes
- Removing fares on corridors or zones
- Eliminating fares across a system
- Fare policy planning

Enhanced Mobility Innovation

Encourage innovative approaches to micromobility, paratransit, and specialized transportation

- Connecting transit with micromobility
- Innovations in specialized transportation
- Improve coordination between specialized transportation and public transit

Passenger Amenities and Safety

Improving the accessibility and safety of transit bus passenger facilities

- Installing bus stops
- Bus stop improvements
- Passenger facility planning
- Safety equipment, programs, planning

MERIT Capital

MERIT Capital: Proposed Policy

- DRPT recommends some minor policy changes that help address administrative challenges in the program:
  1. **Project Categorization and Scoring**: Add additional project sub-categories to formalize the difference between Major Expansion projects and Major State of Good Repair (SGR) projects. Develop a new scoring methodology for Major SGR projects.
  2. **Project Definitions:** Clarify language that defines how vehicle expansion projects are scored.
  3. **Incentive Scoring:** Remove underutilized incentive scoring categories and add new incentive scoring categories for good grants management.

- Opportunities
  - Identify innovative, strategic approach to allocate MERIT Capital Funding that supports improved grants management and timely project delivery.
  - Collaborate with TSDAC, transit agencies, transit stakeholders, and OAG.
  - Periodic updates to CTB.

MERIT Operating

MERIT Operating: Current Challenges & Solutions

Challenge	Proposed Solution
• The current formula does not address the diversity of transit services and geographic areas served but rather deploys a “one size fits all” approach to allocating funds to each transit agency.	• Customizing metrics and associated metric weights based on areas served by transit which share similar operating cost challenges and needs (i.e. Large Urban, Small Urban, and Rural areas)
• A single-year of data for cost, ridership, hours and miles is used for the Sizing Metric which leads to unpredictable year-over-year allocations.	• Incorporate a 3-year average dataset into the Sizing Metric, which will serve as a base allocation for each agency
• Trend-based Performance Adjustments do not always reward agencies for good performance and they are also more sensitive to industry-wide disruptions.	• Remove trend-based Performance Adjustments and implement a Performance Allocation model that rewards agencies for good performance

MERIT Operating: Proposed Policy

Step 1

- Reserve 5% of total annual MERIT Operating funds for the creation of a Performance Fund and split the remaining 95% of revenues by area type to be used for Base Allocations: Large Urban (81%), Small Urban (12%), and Rural (7%)
  - These allocations align with historic funding levels for transit agencies within the 3 cohorts

Step 2

- Base Allocations defined via a sizing metric customized by area type to better address the unique operating performance and cost trends within each cohort
- Maintains existing state operating subsidy cap at 30% of an agency's **audited** operating expenses

Step 3

- All agencies will be eligible to receive additional allocations via the Performance Fund
- Metrics used for determining Performance Allocations will be customized by area type
- DRPT Director will have the discretion to recommend Stability Funding for any agency that experiences *significant* anomalies in the formula. Stability Funding would **not** be utilized to guarantee a certain level of funding and if used, this will be reported to the CTB and noted in the SYIP

Proposed Policy: MERIT Operating

95% of total MERIT operating funding

Base Allocation (Guaranteed)

LARGE URBAN
40% Cost, 30% Ridership, 15% Hours, 15% Miles

SMALL URBAN
45% Cost, 25% Ridership, 15% Hours, 15% Miles

RURAL
50% Cost, 20% Ridership, 15% Hours, 15% Miles

- 3-year average dataset
- Subject to 30% cap

+

Performance Allocation (Conditional)

LARGE URBAN
Riders/Hour, Riders/Mile, PMT/Hour, PMT/Mile

SMALL URBAN
Riders/Hour, Riders/Mile, PMT/Mile

RURAL
Cost/Hour, Cost/Mile, Cost/Rider

- 1-year dataset
- Agencies receive proportional performance allocation if above 60th percentile in any metric

5% of total MERIT operating funding

Conclusion and Next Steps

Conclusion and Next Steps

- On July 7, 2026, TSDAC voted unanimously (with one abstention) to support DRPT's policy recommendations for the TRIP, MERIT Capital, and MERIT Operating programs
- TSDAC Chair, John McGlennon, issued a letter to the CTB confirming TSDAC's support for these policy recommendations
- DRPT will seek CTB approval on policy changes for the MERIT Capital, MERIT Operating, and TRIP programs at the October CTB meeting.
- If approved, policy changes will be effective starting with the FY28 grant cycle

Resources

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Agency Designations by FTA Area Type

Large Urban (10)

Agency Name	CTB District
ART	NoVA
DASH	NoVA
Fairfax Connector	NoVA
Fairfax CUE	NoVA
LC Transit	NoVA
GRTC	Richmond
HRT	Hampton Roads
PAT	Richmond
Valley Metro	Salem
OmniRide	NoVA

Small Urban (9)

Agency Name	CTB District
Blacksburg Transit	Salem
BRITE*	Staunton
Bristol Transit	Bristol
CAT	Culpeper
FXBGO	Fredericksburg
GLTC	Lynchburg
HDPT	Staunton
WATA	Hampton Roads
WinTran	Staunton

*Serves multiple FTA areas. Predominat area identified in table

Agency Designations by FTA Area Type

Rural (20)

Agency Name	CTB District
Alta Vista	Lynchburg
BABS	Lynchburg, Richmond
Bay Transit	Fredericksburg, Richmond
Bedford	Lynchburg
Bluefield	Bristol
Chincoteague	Hampton Roads
District III*	Bristol
DTS	Lynchburg
FAB	Lynchburg
Four County	Bristol

Agency Name	CTB District
GET	Hampton Roads
Jaunt	Culpeper, Lynchburg
Lake Country	Lynchburg, Richmond
Mountain Empire	Bristol
Pulaski	Salem
RADAR	Salem, Staunton
Radford	Salem
STAR	Hampton Roads
Suffolk	Hampton Roads
VRT	Culpeper, Staunton, NoVA

*Serves multiple FTA areas. Predominat area identified in table

Map of Transit Agencies in Virginia

Public Transportation in Virginia by VDOT District

BRISTOL
- 8 Bristol Virginia Transit (BVT)
- 15 Four County Transit
- 17 Graham Transit
- 26 Mountain Empire Transit
- 27 Mountain Lynx

CULPEPER
- 10 Charlottesville Area Transit (CAT)
- 23 Jaunt
- 38 Virginia Regional Transit (VRT)

FREDERICKSBURG
- 16 FXBGO!
- 4 Bay Transit
- 37 Virginia Railway Express (VRE)

HAMPTON ROADS
- 20 Greensville Emporia Transit (GET)
- 21 Hampton Roads Transit (HRT)
- 30 PONY Express
- 34 Star Transit
- 35 Suffolk Transit
- 39 Williamsburg Area Transit Authority (WATA)

LYNCHBURG
- 2 Altavista Community Transit System (ACTS)
- 7 Blackstone Area Bus System (BABS)
- 11 Danville Transit System
- 14 Farmville Area Bus (FAB)
- 18 Greater Lynchburg Transit Company (GLTC)
- 23 Jaunt
- 24 Lake Area Bus / Halifax Area Rural Transportation

NOVA
- 1 Alexandria DASH
- 3 Arlington Transit (ART)
- 12 Fairfax Connector
- 13 Fairfax CUE
- 25 Loudoun County Transit (LC Transit)
- 28 OmniRide
- 37 Virginia Railway Express (VRE)
- 38 Virginia Regional Transit (VRT)
- 41 WMATA

RICHMOND
- 4 Bay Transit
- 7 Blackstone Area Bus System (BABS)
- 19 Greater Richmond Transit Company (GRTC)
- 24 Lake Area Bus / Halifax Area Rural Transportation
- 29 Petersburg Area Transit (PAT)

SALEM
- 5 Bedford OtterBus
- 6 Blacksburg Transit (BT)
- 27 Mountain Lynx
- 31 Pulaski Area Transit
- 32 RADAR
- 33 Radford Transit
- 36 Valley Metro

STAUNTON
- 9 BRITE
- 22 Harrisonburg Dept. of Public Transportation (HDPT)
- 32 RADAR
- 38 Virginia Regional Transit (VRT)
- 40 WinTran

Fixed Route Service Areas
(includes Fixed-Route + ADA Paratransit + Deviated Fixed Route)

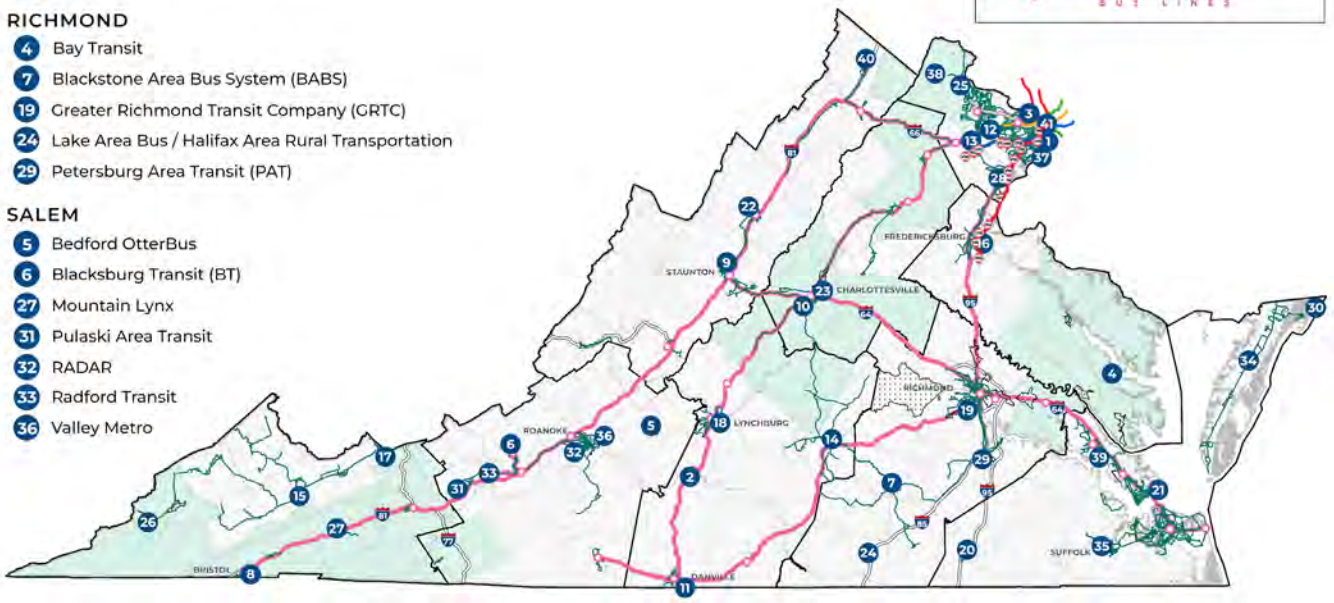
Demand Response Service Areas
(includes Demand Response Service available to all riders)

Microtransit Service Zone
(app-based Demand Response Service available to all riders)

VRE

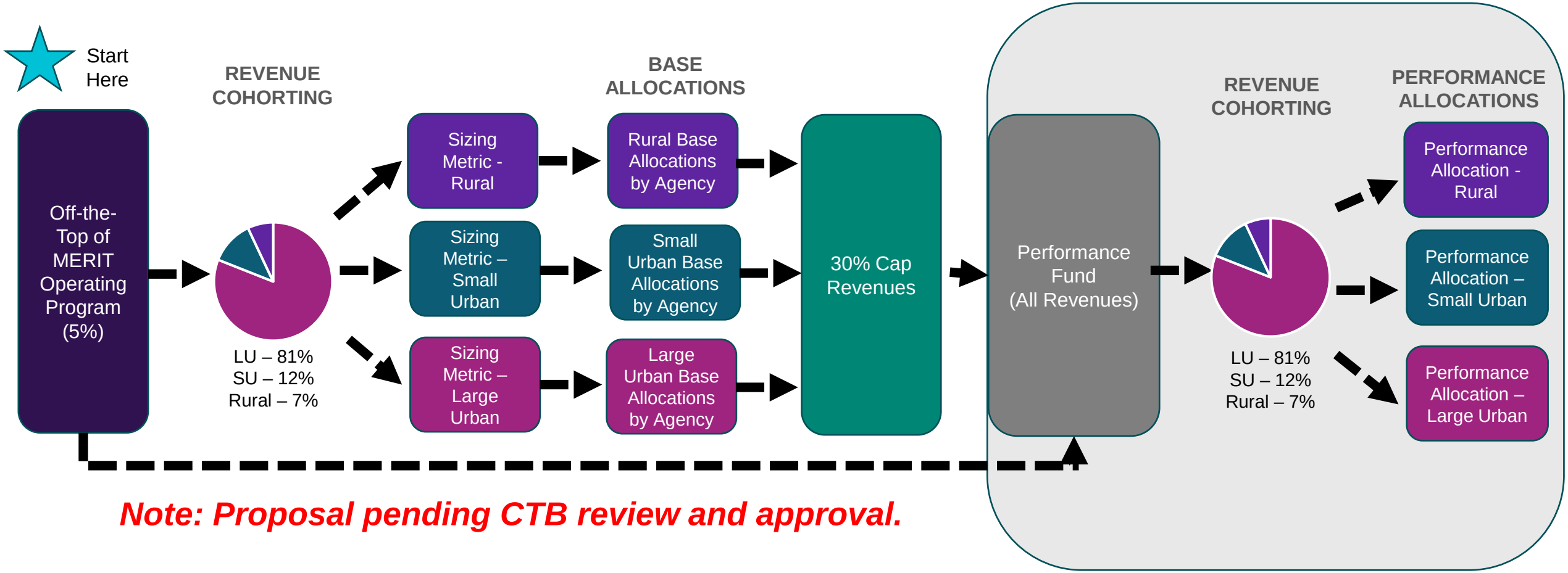
metro

VIRGINIA BREEZE BUS LINES



DRPT VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Proposed Full Cohorting Conceptual Process (Funding Flow)



Note: Proposal pending CTB review and approval.

For additional background and context, please visit the DRPT TSDAC webpage.

WMATA Annual Reporting Requirements

Commonwealth Transportation Board

Sarah Husain, Director of Northern Virginia Transit Programs

September 15, 2026

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

WMATA FY26 Annual Reporting Briefing

- No action by CTB on WMATA FY26 Annual Reporting at September meeting
- CTB will take action at the October meeting to certify whether WMATA is in compliance with the annual reporting requirements

Background

Legislative and Policy Context

- Code of Virginia allocates 46.5% of the Commonwealth Mass Transit Fund (CMTF) ($258.6M in FY27) to the Northern Virginia Transportation Commission (NVTC) to help localities meet their annual WMATA subsidy payments
- Chapter 854 and 856 of the 2018 Virginia Acts of Assembly:
  - Established a separate WMATA Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA ($154.5 million annually)
  - Requires CTB to withhold a portion of the CMTF allocation to NVTC for WMATA if funding requirements are not met
- To implement the law, CTB adopted "Policy and Guidelines for Implementation of Governance and Funding Reforms for WMATA"
  - Enacted in 2018 and last amended in September 2023
  - Reviewed in 2025 with no CTB action because of then-pending SJ28 and DMVMoves work
  - Required to be reviewed at least every two years

Certification Process

WMATA provides required documentation/notification of compliance by CTB policy deadlines for the following Code requirements:

- (1) Board Governance
- (2) Capital Improvement Plan
- (3) Strategic Plan
- (4) 3% cap on annual growth in total Virginia Operating Assistance
- (5) Submission of Budget and Annual CTB Update

DRPT reviews for compliance

Office of Attorney General provides concurrence

CTB certifies compliance

FY2026 Compliance Assessment

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

(1) WMATA Board Governance

Section 33.2-1526.1(L)

Legislative Requirement	CTB Policy Requirement	Consequences of Non-Compliance (Code of Virginia)	DRPT Findings and Recommendation
• Alternate directors shall not participate or take action at an official WMATA Board meeting or Committee meeting unless they are serving in absence of a primary director • WMATA Board must adopt bylaws that would prohibit such participation by alternate directors	WMATA shall provide notification asserting compliance by July 1 but immediately notify CTB if there is a violation	CTB shall withhold 20% of CMTF WMATA allocation if found to be non-compliant	• WMATA has met the requirements of the statute and Board policy • **No enforcement action is recommended**

(2) WMATA Capital Improvement Plan

Section 33.2-1526.1(M)

Legislative Requirement	CTB Policy Requirement	Consequences of Non-Compliance (Code of Virginia)	DRPT Findings and Recommendation
• WMATA must annually adopt a capital improvement program that covers the current and next five fiscal years • WMATA must hold an in-person public hearing in Northern Virginia	WMATA shall provide notification asserting compliance by July 1 but immediately notify CTB if there is a violation	CTB shall withhold 20% of CMTF WMATA allocation if found to be non-compliant	• WMATA adopted capital improvement program on April 23, 2026 • WMATA held a hybrid public hearing on the CIP on February 3, 2026, in Arlington • **Requirements met; No enforcement action is recommended**

(3) WMATA Strategic Plan

Section 33.2-1526.1(M)

Legislative Requirement	CTB Policy Requirement	Consequences of Non-Compliance (Code of Virginia)	DRPT Findings and Recommendation
WMATA must adopt or update within the preceding 36 months a strategic plan and hold an in-person public hearing on the strategic plan in Northern Virginia, covering specific topics	WMATA shall provide notification asserting compliance by July 1	CTB shall withhold 20% of CMTF WMATA allocation if found to be non-compliant	• First Strategic Plan per this requirement was adopted on February 23, 2023 • Public hearing on Update held on October 30, 2025, in Arlington, Virginia • WMATA Board adopted update Dec. 11, 2025 that included required topics • **Requirements met; No enforcement action is recommended**

(4) 3% Cap on Growth in Operating Assistance

Section 33.2-1526.1(K)

Legislative Requirement	CTB Policy Requirement	Consequences of Non-Compliance (Code of Virginia)	DRPT Findings and Recommendation
Total Virginia operating subsidy in current approved WMATA budget increased by no more than 3% over the prior year approved budget. Exclusions: • Any service, equipment, or facility that is required by any applicable law, rule or regulation • Any capital project approved by the WMATA Board • Any payment/obligation resulting from a legal dispute or proceeding • Any service increases approved by the WMATA Board	WMATA shall provide notification documenting compliance by July 1	CTB shall withhold 35% of CMTF WMATA allocation if found to be non-compliant	• Virginia's operating subsidy increased 1.6% between FY26 and FY27, meeting 3% cap requirement • **Requirements met; No enforcement action is recommended**

(5) Submission of Budget and Annual CTB Update

Section 33.2-1526.1(N)

Legislative Requirement	CTB Policy Requirement	Consequences of Non-Compliance (Code of Virginia)	DRPT Findings and Recommendation
• By April 1, WMATA must submit a detailed proposed operating budget and capital expenditures, including information on expenditures, indebtedness, pensions and other liabilities, and other information as prescribed by the Board • Virginia's Principal Members of the WMATA Board and the WMATA General Manager must annually address the CTB	Budget submission shall include audited financial statements	CTB shall withhold 20% of state WMATA allocation if found to be non-compliant	• Virginia WMATA Board appointees and WMATA General Manager Randy Clarke addressed the CTB on October 14, 2025, and May 12, 2026 • WMATA submitted documentation by April 1, 2026 • **Requirements met; No enforcement action is recommended**

Next Steps

September Workshop

- FY26 compliance determination overview
- Consideration of revision to CTB Guidelines for FY27 and beyond

October Action Meeting

- Certify FY26 compliance
- Update CTB Guidelines for FY27 and beyond

Before June 2027

- WMATA GM/Board presentation to CTB

Questions?

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

WMATA CTB Policy Review

Commonwealth Transportation Board

Sarah Husain, Director of Northern Virginia Transit Programs

September 15, 2026

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

WMATA Policy Change Briefing

- No action by CTB on WMATA policies at September meeting
- DRPT will seek CTB approval on policy changes regarding WMATA that will start in FY27 at the October CTB meeting

Background

- Original *Policy and Guidelines for Implementation of Governance and Funding Reforms for WMATA* (CTB Policy) adopted September 18, 2018, tied to Dedicated Funding legislation.
- Requirement: *Given that the condition of the WMATA system may change over time, the CTB will consider revisions and/or updates to these guidelines at least every two years.*
- Policy changes to date:
  - 2021
    - Reflect changes to Code from 2020 session
    - Consider revisions and/or updates to these guidelines **at least** every two years
    - Technical corrections/clarifications
  - 2023
    - Reflect changes to Code from 2023 session
    - Minor clarifications resulting from start of Phase 2 of Silver Line
  - 2025
    - No changes recommended due to the then-pending SJ28 and DMVMoves work
- **2026: Governor Spanberger and General Assembly included additional oversight requirements in the Biennial Budget necessitating a change to the Board policy**

Current CTB WMATA Policy Scope

- Establishes July 1 deadline for WMATA to submit documentation asserting compliance with Code requirements.
- Provides clarification for certain broad language in Code
- Requires September presentation to CTB on compliance
- Specifies additional considerations such as:
  - DRPT role
  - Reservation of CTB's right to approve exceptions at any time
  - Timeline for consideration of revisions

2026 Code and Budget Changes

- **Prior WMATA Requirements:**
  - Supply an annual budget and proposed capital expenditures to CTB.
  - Require WMATA General Manager and Commonwealth's WMATA Board members address CTB annually.
  - Limit alternates' participation at Board Meetings when the main Board members are present.
  - Cap operating cost growth to 3% - *to be replaced by new mode-specific unit cost methodology.*
  - Adopt/Update its Strategic Plan every three years and holding a public hearing in NOVA – *to be incorporated into DMVMoves Plan requirement.*
  - Adopt by July 1 a detailed CIP that covers a six-year period and hold a public hearing in NOVA.

- **Additional requirements beginning FY27:**
  - Adopt a 20-year capital plan, financial plan for major projects, performance report and other requirements, to be updated every five years.
  - Annually report on system performance and progress towards DMV*Moves* goals, to NVTC and MWCOG.
  - Report a calculation of mode-specific unit cost and growth, and cap unit growth at 3% starting in FY29 with methodology in FY27.
  - Publish a rail signaling automation and workforce transition plan by FY29.
  - Ensure that no employees are terminated as part of a reduction in force due to automation.

Proposed CTB Policy Changes: Streamlining

Current Guidelines	Recommended
• Establishes July 1 deadline for WMATA to submit documentation asserting compliance with Code requirements.	• DRPT verifies compliance based on observation and adopted/published material. • DRPT shares published materials with CTB.
• Requires September presentation to CTB on compliance.	• Requires annual presentation to CTB.

Proposed CTB Policy Changes:
Reflect Updated Code Language

- Adopt a 20-year capital plan with financial plan for major projects, performance report and other requirements, to be updated every five years.
- Report a calculation of mode-specific unit cost and growth, and cap unit growth at 3% starting in FY29 with methodology in FY27 and baseline in FY28.
- Report on system performance and progress update towards DMV*Moves* goals, to NVTC and MWCOG.
  - Proposed Policy adds CTB as recipient; Budget language with more detail on reporting requirements
- Publish a rail signaling automation and workforce transition plan by FY29.
- Ensure that no employees are terminated as part of a reduction in force due to automation.
- Mechanisms for verification:
  - WMATA Board adoptions
  - Information in Proposed Budget Books and Board Budget Adoption
  - Notification in advance of any terminations due to rail modernization

Recommendation

- Approve revised CTB Policy in October

Questions?

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board
Nick Donahue
Chairperson
1401 East Broad Street
Richmond, Virginia 23219
(804) 482-5818
Fax: (804) 786-2940

Agenda item # 12

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

~~September~~ October ~~20~~13,

~~2023~~ 2026 MOTION
Made By: ~~Ms. Sellers,~~ **Seconded By:** ~~Ms. Hynes~~

Action: ~~Motion Carried, Unanimously~~

Title: Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA)

WHEREAS, the Commonwealth Transportation Board (CTB), the Northern Virginia Transportation Commission (NVTC), and the jurisdictions that comprise the NVTC, who provide local funding and receive transit service from the Washington Metropolitan Area Transit Authority (WMATA), are mutually interested in the success of the WMATA; and

WHEREAS, WMATA was established pursuant to an interstate compact between Virginia, Maryland, and the District of Columbia to operate a regional mass transit system in the Washington, D.C. metropolitan area; and

WHEREAS, NVTC was founded in part to represent the interests of the Commonwealth of Virginia during the establishment of WMATA; and

WHEREAS, NVTC's member jurisdictions — the cities of Alexandria, Falls Church, and Fairfax and the counties of Arlington, Fairfax, and Loudoun — are the current WMATA Compact funding partners; and

WHEREAS, Section 33.2-1936 of the Code of Virginia establishes that the Northern Virginia Transportation District has unique needs and that the operation of the rapid heavy rail mass transportation system and the bus mass transportation system by WMATA provides particular and substantial benefit to the persons living, traveling, commuting, and working in the localities embraced by the NVTC; and

WHEREAS, Section 33.2-3401 of the Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, established a WMATA Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA; and

WHEREAS, Section 33.2-1526.1 of the Code of Virginia allocates 46.5 percent of the Commonwealth Mass Transit Fund to NVTC for distribution to WMATA on behalf of its local jurisdictions for capital purposes and operating assistance ("Commonwealth Mass Transit Fund WMATA Allocation"), as determined by NVTC; and

WHEREAS, the Commonwealth Mass Transit Fund WMATA allocation cannot exceed 50 percent of the total WMATA operating and capital assistance required from the WMATA Compact funding partners from Virginia; and~~; and~~

WHEREAS, Section 33.2-1526.1 outlines several requirements that WMATA must comply with to ensure that NVTC receives the full 46.5 percent of funding within the Commonwealth Mass Transit Fund:

~~**WHEREAS**, the enactment clauses of Chapter 854 of the 2018 and Chapter 363 of the 2023 Virginia Acts of Assembly requires the Commonwealth Transportation Board to withhold funding available to WMATA pursuant to Section 33.2-1526.1(D)(4) of the Code of Virginia Allocation under the following conditions:~~

1) Section 33.2-1526.1(K) requires that, The Board shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

   a) In fiscal year 2027, the WMATA Board of Directors does not adopt a policy to establish a methodology for determining the measurement of Metrorail and Metrobus annual unit cost growth using mode-specific operating costs and vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's National Transit Database;

   b) In fiscal year 2028, WMATA does not publish the results of the annual unit cost growth calculation as described in the policy adopted pursuant to subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail and bus and percentage growth increase from the prior year; and

   c) Starting in fiscal year 2029, and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service increases by more than three percent.

~~1) in any year that the total Virginia operating assistance in the approved WMATA budget increases by more than 3 percent from the total operating assistance in the prior year's approved WMATA budget, the Board shall withhold an amount equal to 35 percent of the~~

~~funds available. The following items shall not be included in the calculation of any WMATA budget increase: (i) any service, equipment, or facility that is required by any applicable law, rule, or regulation;~~

~~2) (ii) any capital project approved by the WMATA Board before or after the effective date of this provision; and (iii) any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity.~~

~~3)~~2) Section 33.2-1526.1(L) requires the CTB shall withhold 20 percent of the funds available if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA Compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

3) Section 33.2-1526.1(M) requires that the CTB shall withhold 20 percent of the funds available each year unless (i) WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has been held in a locality embraced by the NVTC; and (ii) WMATA, by June 30, 2027 and each fiscal year thereafter, has complied with its reporting commitments under the DMV Moves Plan, comprised of the most recent 20-year capital plan, to be updated every five years, including: (a) an analysis of potential capital investments that reduce operating costs; (b) funding or financial plans for major projects with capital costs greater than $300 million, adjusted with inflation; (c) an assessment of state of good repair needs; (d) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (e) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed; (f) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and (g) an examination of opportunities to improve service in underserved areas; and (iii) WMATA has submitted an annual report to the Metropolitan Washington Council of Governments and the Northern Virginia Transportation Commission on system performance, detailing progress toward DMV Moves goals and objectives.

~~1. (ii) WMATA has adopted or updated a strategic plan within the preceding 36 months, and at least one public hearing on such plan or updated plan has been held in a locality embraced by the NVTC.~~

~~2.~~

4) Section 33.2-1526.1(N)(1) requires that for fiscal year 2029, the Board shall withhold 35 percent of the appropriation of funds available pursuant to 33.2-1526.1(D)(4) if the Board of Directors of the Washington Metropolitan Area Transit Authority has not approved a rail signaling and automation workforce transition plan, developed in consultation with affected collective bargaining units, on or before July 1, 2028.

5) Section 33. 2-1526.1(N)(2) ~~NAnd~~ requires that starting July 1, 2028, if a rail or bus operator employed by the Washington Metropolitan Area Transit Authority is terminated due to a reduction in force caused by the automation of the rail system, the Board shall withhold 35 percent of the appropriation of funds available pursuant to 33.2-1526.1(D)(4) in the subsequent fiscal year.

6) Section 33.2-1526.1(O~~N~~) requires that the CTB shall withhold 20 percent of the funds available each year unless (i) WMATA has prepared and submitted a detailed proposed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the CTB by April 1; and (ii) the Commonwealth's and NVTC's principal representatives to the WMATA Board and the WMATA General Manager annually address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

WHEREAS, the FY 2027-2028 Biennial Budget Item 433 G.1.iii further elaborates on Section 33.2-1526.1(M)(3) that the annual report on the performance of WMATA and its capital program, include actual prior-year and anticipated next-year cost savings and cost efficiency efforts, and the use and outcomes of additional dedicated funding, if applicable.

~~1)~~

WHEREAS, it is in the best interest of the CTB, NVTC, and the jurisdictions that are WMATA Compact funding partners to ensure that WMATA receives the full allocation of funding from the Commonwealth Mass Transit Fund that is distributed by the NVTC on behalf of its jurisdictions; and

NOW THEREFORE, BE IT RESOLVED that the Board hereby adopts the following policy and guidelines to govern future Board decisions related to the Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority enacted by the General Assembly of Virginia in 2018 and updated in subsequent years:

3% Cap on Metrorail and Metrobus Per Unit Cost Growth ~~Growth in Total Virginia Operating Assistance~~Per Unit Cost (33.2-1526.1(K))

1) The CTB shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

a) By June 30, 2027, the WMATA Board of Directors does not adopt a policy to establish a methodology for determining the measurement of Metrorail and Metrobus annual unit cost growth using mode-specific operating costs and vehicle revenue hours.

i. Such policy shall determine a baseline year and associated data from which annual unit cost growth will be measured.

ii. Baseline operating cost and vehicle revenue data shall be actual and for the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's National Transit Database.

iii. The methodology shall include the data sources and other information to be included annually with the results of the unit cost growth calculation to allow for annual third party verification.

~~The CTB shall withhold funding if the total operating subsidy for Virginia in the current year approved WMATA budget increases (effective July 1) by more than three percent over the prior year approved WMATA budget (as of June 30).~~

~~a) The following items shall not be included in the calculation of any WMATA budget increase:~~
~~b) Any service, equipment, or facility that is required by any applicable law, rule, or regulation including, but not limited to, compliance with any safety directives to WMATA issued by the Metrorail Safety Commission (MSC), the Federal Transit Administration (FTA), the National Transportation Safety Board (NTSB) or any other relevant safety oversight agency; actions taken to comply with the Americans with Disabilities Act (ADA); and actions taken to comply with Title VI requirements.~~
~~c) Any major capital project approved by the WMATA Board before or after the effective date of this provision, including operating subsidy increases related to major capital projects that improve WMATA's state of good repair, support a major system expansion project and respond to service disruptions caused by implementation of approved capital projects to address state of good repair needs or from emergency system shutdowns.~~

b) By June 30, 2028, WMATA does not annually publish preliminarily in the Proposed Budget Book, with a final version as an appendix to the Board adopted budget resolution and in the Remediated Budget Book, the results of the unit cost growth calculation and any other information outlined in the methodology, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail and bus and percentage growth increase from the prior year.

c) Starting in fiscal year 2029, and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service increases by more than three percent, as indicated in the adopted budget resolution.

~~2)~~

~~i) Any payments or obligations of any kind arising from or related to legal disputes or proceedings between or among WMATA and any other person or entity. This exclusion is not intended for expenses related to the day-to-day operations of WMATA's legal department.~~

~~ii) Any service increases approved by the WMATA Board pursuant to Section 33.2-1526.1(J) of the Code of Virginia.~~

~~iii) Operating subsidies for specific WMATA transit services that are funded in whole by one or more WMATA member jurisdictions and/or from other non-WMATA funding sources.~~

~~iv) Regularly scheduled adjustments of the inputs to the regional subsidy allocation formulas by WMATA.~~

~~b) WMATA shall provide a written notification to the CTB no later than July 1 of each year of the annual growth in total Virginia operating assistance, including a detailed description of the costs contributing to the increased operating subsidy and a year over year comparison of such costs. WMATA shall also provide a detailed description and justification of costs considered exempt from the calculation of the annual growth rate in operating subsidy. The written notification shall include sufficient documentation to allow the CTB to perform its own verification of the annual growth rate and amount of total Virginia operating assistance.~~

~~c) By July 1 of each year, WMATA shall notify the CTB if it is scheduled or plans to adjust the regional subsidy allocation formulas in the budget to be proposed for the next fiscal year.~~

Participation by Alternate Directors of the WMATA Board (Section 33.2-1526.1(L))

~~1)~~ The CTB shall withhold an amount equal to to 20 percent of the funds available under 33.2-1526.1(D)(4) if: ~~funding~~ if the WMATA Board of Directors has not adopted bylaws that prohibit the participation of alternate directors specified in clause (ii) of Section 33.2-1526.1(L).

1)

~~2)~~

2) When determining whether to withhold funding in response to an action taken by an alternate director that is prohibited by Section 33.2-1526.1(L), the CTB shall consider the following as prohibited activities by alternate directors at an official WMATA Board or committee meeting (unless the alternate director is acting in the absence of a Board director who serves on the committee): (i) participating in the discussion among Board directors; (ii) making or seconding a motion; (iii) voting on motions, resolutions or other Board actions; (iv) being counted toward the required quorum; (v) attendance or participation in any Executive Session of the WMATA Board or its committees; (vi) any action in violation of WMATA Bylaws in regards to the activities of alternate directors.

~~3)~~ Attendance by alternate directors at official WMATA Board or committee

~~4)~~

~~5)~~3) meetings, excluding Executive Sessions, shall not be a basis for withholding funding, nor shall the provision of information or reports to directors at a WMATA committee meeting in response to a request to do so by the director chairing the committee meeting. Alternates may participate in board liaison activities with outside groups and report back to the full Board or Committee during a meeting, when included as an agenda item.

~~6)~~4) WMATA shall provide a written notification to the CTB by July 1 of each year ~~that it~~if it has ~~adopted~~ changed its bylaws that prohibit the participation of alternate directors specified in clause (ii) of Section 33.2-1526.1(L). ~~and that no violations of the bylaws by alternate directors have occurred during the previous year.~~

~~7)~~5) WMATA shall immediately notify ~~the CTB~~ DRPT in writing if a violation of its bylaws by an alternate director or some other action prohibited by this CTB policy occurs.

Adoption of a Detailed Capital Improvement Program and Strategic Planning Documents (Section 33.2-1526.1(M))

1) The CTB shall withhold an amount equal to 20 percent of the funds available under 33.2-1526.1(D)(4) if:~~withhold funding if:~~

a) WMATA has not annually adopted or updated ~~by~~ before July 1 of each year a detailed capital improvement program covering the current fiscal year and the next five fiscal years, including projections of funding sources and uses for the six-year period.

a) WMATA has not annually held ~~by~~ before July 1 of each year at least one public hearing on such capital improvement program held in a locality embraced by the NVTC.

b) WMATA, by June 30, 2027, and each fiscal year thereafter, has not complied with its reporting commitments under the DMV Moves Plan, comprised of the most recent 20-year capital plan, to be updated every five years, including: (a) an analysis of potential capital investments that reduce operating costs; (b) funding or financial plans for major projects with capital costs greater than $300 million, adjusted with inflation and (c) an assessment of state of good repair needs.

c) As an appendix the 20-year capital plan to be updated every five years, WMATA does not include a service evaluation that contains: a) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes, b) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed, c) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and d) an examination of opportunities to improve service in underserved area.

d) Before July 1, starting in 2027, WMATA has not submitted to the Metropolitan Washington Council of Governments, the Northern Virginia Transportation Commission, and DRPT an annual report on system performance, detailing progress toward DMV Moves goals and objectives. The report shall include actual prior-year and anticipated next-year cost savings and cost efficiency efforts in the operating and/or capital budgets, and the use and outcomes of DMVMoves funding, if applicable.

~~2) WMATA shall provide a written notification to the CTB by July 1 of each year that it has: (i) adopted a capital improvement program that complies with the above requirements; and (ii) held a public hearing on the capital improvement program in a locality embraced by the NVTC.~~

~~Adoption or Update of a Strategic Plan (Section 33.2-1526.1(M))~~

~~1. The CTB shall withhold funding if:~~

~~a. the WMATA Board has not adopted or updated a strategic plan within the preceding 36 months. After submission of the first strategic plan, WMATA must submit updated plans every 3 years thereafter.~~

~~b. WMATA has not held at least one public hearing on such strategic plan held in a locality embraced by the NVTC.~~

Fulfilment of Rail Modernization Requirements (Section 33.2-1526.1(N))

1) The CTB shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

   a) If the Board of Directors of the Washington Metropolitan Area Transit Authority has not adopted a rail signaling and automation workforce transition plan, developed in consultation with affected collective bargaining units, on or before July 1, 2028.

   b) Starting July 1, 2028, if a rail or bus operator employed by the Washington Metropolitan Area Transit Authority is terminated due to a reduction in force caused by the automation of the rail system.

2) Starting with the FY 2029 Budget Book, WMATA shall indicate in the human capital table of budgeted FTE~~'~~s, whether terminations are anticipated to be required due to the automation of the rail system. For a mitigation opportunity to be considered, WMATA must notify DRPT 30 days prior to any terminations, if the reason is due to a reduction in force caused by the automation of the rail system.

~~2. WMATA's strategic plan shall include the following five components: (a) an assessment of state of good repair needs; (b) a review of the performance of fixed-route bus service; (c) an evaluation of the opportunities to improve operating efficiency of the transit network; (d) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and (e) an examination of opportunities to improve service in underserved areas.~~

~~3. WMATA shall provide a written notification to the CTB by July 1 of the year of any strategic plan update that it has: (i) adopted or updated a strategic plan that complies with the above requirements; and (ii) held a public hearing on the strategic plan or strategic plan update in a locality embraced by the NVTC.~~

Submission of a Detail Annual Operating Budget and Capital Expenditures and Projects (Section 33.2-1526.1(~~N~~O))

~~1)~~ The CTB shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:~~funding if:~~

   a) WMATA has not prepared and submitted a detailed proposed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to ~~the CTB~~DRPT to transmit to the CTB ~~by~~ by April 1 of each year.

   b) The Commonwealth's and NVTC's principal representatives to the WMATA Board and the WMATA General Manager fail to annually address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

2) The proposed annual budget submission ~~operating budget submitted~~ by WMATA to ~~the~~

~~CTB~~DRPT shall include information on expenditures, indebtedness, pensions, and other liabilities, and other information as prescribed by the CTB. The budget submission shall also include the audited financial statements for each defined-benefit pension plan to which WMATA contributes for the previous fiscal year, presented in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 67.

Resolution of Withholding of Funds

~~1)~~ The CTB will release any withheld funding upon approval or implementation of an approved mitigation action. The CTB will determine what constitutes an approved mitigation action. ~~, except that approval by the WMATA Board of a budget amendment reducing the amount of annual operating assistance required by Virginia to no more than 3 percent greater than the prior year shall be considered an approved mitigation action for a violation of the restriction related to the 3 percent cap on growth in Virginia operating assistance.~~

~~2)~~

~~3)~~1) The CTB shall retain as a penalty any funding withheld during a fiscal year in response to a violation for which there is no mitigation.

Additional Considerations

1) The CTB, DRPT, WMATA, the NVTC, and NVTC's member jurisdictions shall proactively collaborate to avoid activities that would require the CTB to withhold funding.

~~WMATA shall submit the documents required to demonstrate compliance to DRPT by the deadlines specified.~~

2) DRPT will analyze ~~the information received from~~ all necessary documentation ~~WMATA~~ and ~~present~~ deliver to the CTB~~, in September of each year~~ annually, a recommendation on enforcement actions, if any, that are required to be taken by this policy.

3) DRPT will ~~provide regular reports to the~~provide published reports referenced in this policy to the CTB. ~~on observations related to compliance with this policy throughout the year.~~

4) After December 15 of each year, the NVTC shall ~~present~~ deliver to the CTB the findings included in its report on the performance and condition of WMATA required under Section 33.2-3403 of the Code of Virginia.

5) The CTB reserves the right to approve exceptions to this policy at any time in response to special or extraordinary circumstances.

6) Given that the condition of the WMATA system may change over time, the CTB will consider revisions and/or updates to these guidelines at least every two years.

BE IT FURTHER RESOLVED, that all versions of the Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA) approved by the Board prior to this action are superseded by this revised policy and are hereby rescinded.

####

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board
Nicholas Donahue
Chairperson
1221 East Broad Street
Richmond, Virginia 23219
(804) 482-5818
Fax: (804) 786-2940

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026
MOTION
Made By: **Seconded By:**
Action:

Title: Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA)

WHEREAS, the Commonwealth Transportation Board (CTB), the Northern Virginia Transportation Commission (NVTC), and the jurisdictions that comprise the NVTC, who provide local funding and receive transit service from the Washington Metropolitan Area Transit Authority (WMATA), are mutually interested in the success of the WMATA; and

WHEREAS, WMATA was established pursuant to an interstate compact between Virginia, Maryland, and the District of Columbia to operate a regional mass transit system in the Washington, D.C. metropolitan area; and

WHEREAS, NVTC was founded in part to represent the interests of the Commonwealth of Virginia during the establishment of WMATA; and

WHEREAS, NVTC's member jurisdictions — the cities of Alexandria, Falls Church, and Fairfax and the counties of Arlington, Fairfax, and Loudoun — are the current WMATA Compact funding partners; and

WHEREAS, Section 33.2-1936 of the Code of Virginia establishes that the Northern Virginia Transportation District has unique needs and that the operation of the rapid heavy rail mass transportation system and the bus mass transportation system by WMATA provides particular and substantial benefit to the persons living, traveling, commuting, and working in the localities embraced by the NVTC; and

WHEREAS, Section 33.2-3401 of the Code of Virginia, pursuant to Chapter 854 of the 2018 Virginia Acts of Assembly, established a WMATA Capital Fund to provide Virginia's agreed upon share of regional dedicated capital funding to WMATA; and

WHEREAS, Section 33.2-1526.1 of the Code of Virginia allocates 46.5 percent of the Commonwealth Mass Transit Fund to NVTC for distribution to WMATA on behalf of its local jurisdictions for capital purposes and operating assistance ("Commonwealth Mass Transit Fund WMATA Allocation"), as determined by NVTC; and

WHEREAS, the Commonwealth Mass Transit Fund WMATA allocation cannot exceed 50 percent of the total WMATA operating and capital assistance required from the WMATA Compact funding partners from Virginia; and

WHEREAS, Section 33.2-1526.1 outlines several requirements that WMATA must comply with to ensure that NVTC receives the full 46.5 percent of funding within the Commonwealth Mass Transit Fund:

1) Section 33.2-1526.1(K) requires that, The Board shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

    a) In fiscal year 2027, the WMATA Board of Directors does not adopt a policy to establish a methodology for determining the measurement of Metrorail and Metrobus annual unit cost growth using mode-specific operating costs and vehicle revenue hours. Such policy shall determine a baseline year and associated data from which annual unit cost growth will be measured. Baseline operating cost and vehicle revenue data shall be actual and for the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's National Transit Database;

    b) In fiscal year 2028, WMATA does not publish the results of the annual unit cost growth calculation as described in the policy adopted pursuant to subdivision 1, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail and bus and percentage growth increase from the prior year; and

    c) Starting in fiscal year 2029, and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service increases by more than three percent.

2) Section 33.2-1526.1(L) requires the CTB shall withhold 20 percent of the funds available if (i) any alternate directors participate or take action at an official WMATA Board meeting or committee meeting as Board directors for a WMATA compact member when both directors appointed by that same WMATA Compact member are present at the WMATA Board meeting or committee meeting or (ii) the WMATA Board of Directors has not adopted bylaws that would prohibit such participation by alternate directors.

3) Section 33.2-1526.1(M) requires that the CTB shall withhold 20 percent of the funds

available each year unless (i) WMATA has adopted a detailed capital improvement program covering the current fiscal year and, at a minimum, the next five fiscal years, and at least one public hearing on such capital improvement program has been held in a locality embraced by the NVTC; and (ii) WMATA, by June 30, 2027 and each fiscal year thereafter, has complied with its reporting commitments under the DMV Moves Plan, comprised of the most recent 20-year capital plan, to be updated every five years, including: (a) an analysis of potential capital investments that reduce operating costs; (b) funding or financial plans for major projects with capital costs greater than $300 million, adjusted with inflation; (c) an assessment of state of good repair needs; (d) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes; (e) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed; (f) an examination and identification of opportunities to share services where multiple transit providers' services overlap; and (g) an examination of opportunities to improve service in underserved areas; and (iii) WMATA has submitted an annual report to the Metropolitan Washington Council of Governments and the Northern Virginia Transportation Commission on system performance, detailing progress toward DMV Moves goals and objectives.

4) Section 33.2-1526.1(N)(1) requires that for fiscal year 2029, the Board shall withhold 35 percent of the appropriation of funds available pursuant to 33.2-1526.1(D)(4) if the Board of Directors of the Washington Metropolitan Area Transit Authority has not approved a rail signaling and automation workforce transition plan, developed in consultation with affected collective bargaining units, on or before July 1, 2028.

5) Section 33. 2-1526.1(N)(2) requires that starting July 1, 2028, if a rail or bus operator employed by the Washington Metropolitan Area Transit Authority is terminated due to a reduction in force caused by the automation of the rail system, the Board shall withhold 35 percent of the appropriation of funds available pursuant to 33.2-1526.1(D)(4) in the subsequent fiscal year.

6) Section 33.2-1526.1(O) requires that the CTB shall withhold 20 percent of the funds available each year unless (i) WMATA has prepared and submitted a detailed proposed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to the CTB by April 1; and (ii) the Commonwealth's and NVTC's principal representatives to the WMATA Board and the WMATA General Manager annually address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

WHEREAS, the FY 2027-2028 Biennial Budget Item 433 G.1.iii further elaborates on Section 33.2-1526.1(M)(3) that the annual report on the performance of WMATA and its capital program, include actual prior-year and anticipated next-year cost savings and cost efficiency efforts, and the use and outcomes of additional dedicated funding, if applicable.

WHEREAS, it is in the best interest of the CTB, NVTC, and the jurisdictions that are WMATA Compact funding partners to ensure that WMATA receives the full allocation of funding from the Commonwealth Mass Transit Fund that is distributed by the NVTC on behalf of its jurisdictions; and

NOW THEREFORE, BE IT RESOLVED that the Board hereby adopts the following policy and guidelines to govern future Board decisions related to the Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority enacted by the General Assembly of Virginia in 2018 and updated in subsequent years:

3% Cap on Metrorail and Metrobus Per Unit Cost Growth Per Unit Cost (33.2-1526.1(K))

1) The CTB shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

   a) By June 30, 2027, the WMATA Board of Directors does not adopt a policy to establish a methodology for determining the measurement of Metrorail and Metrobus annual unit cost growth using mode-specific operating costs and vehicle revenue hours.

      i. Such policy shall determine a baseline year and associated data from which annual unit cost growth will be measured.

      ii. Baseline operating cost and vehicle revenue data shall be actual and for the most recent year and may be preliminary and not yet audited by the Federal Transit Administration's National Transit Database.

      iii. The methodology shall include the data sources and other information to be included annually with the results of the unit cost growth calculation to allow for annual third-party verification.

   b) By June 30, 2028, WMATA does not annually publish preliminarily in the Proposed Budget Book, with a final version as an appendix to the Board adopted budget resolution and in the Remediated Budget Book, the results of the unit cost growth calculation and any other information outlined in the methodology, detailing the year-over-year operating expenses and vehicle revenue hours by mode for rail and bus and percentage growth increase from the prior year.

   c) Starting in fiscal year 2029, and for each fiscal year thereafter, the approved WMATA budget's unit cost of rail or bus service increases by more than three percent, as indicated in the adopted budget resolution.

Participation by Alternate Directors of the WMATA Board (Section 33.2-1526.1(L))

1) The CTB shall withhold an amount equal to to 20 percent of the funds available under 33.2-1526.1(D)(4) if: if the WMATA Board of Directors has not adopted bylaws that prohibit the participation of alternate directors specified in clause (ii) of Section 33.2-1526.1(L).

2) When determining whether to withhold funding in response to an action taken by an alternate director that is prohibited by Section 33.2-1526.1(L), the CTB shall consider the following as prohibited activities by alternate directors at an official WMATA Board or committee meeting (unless the alternate director is acting in the

absence of a Board director who serves on the committee): (i) participating in the discussion among Board directors; (ii) making or seconding a motion; (iii) voting on motions, resolutions or other Board actions; (iv) being counted toward the required quorum; (v) attendance or participation in any Executive Session of the WMATA Board or its committees; (vi) any action in violation of WMATA Bylaws in regards to the activities of alternate directors.

3) Attendance by alternate directors at official WMATA Board or committee meetings, excluding Executive Sessions, shall not be a basis for withholding funding, nor shall the provision of information or reports to directors at a WMATA committee meeting in response to a request to do so by the director chairing the committee meeting. Alternates may participate in board liaison activities with outside groups and report back to the full Board or Committee during a meeting, when included as an agenda item.

4) WMATA shall provide a written notification to the CTB by July 1 of each year if it has changed its bylaws that prohibit the participation of alternate directors specified in clause (ii) of Section 33.2-1526.1(L).

5) WMATA shall immediately notify DRPT in writing if a violation of its bylaws by an alternate director or some other action prohibited by this CTB policy occurs.

Adoption of a Detailed Capital Improvement Program and Strategic Planning Documents (Section 33.2-1526.1(M))

1) The CTB shall withhold an amount equal to 20 percent of the funds available under 33.2-1526.1(D)(4) if:

a) WMATA has not annually adopted or updated by June 30 of each year a detailed capital improvement program covering the current fiscal year and the next five fiscal years, including projections of funding sources and uses for the six-year period.

a) WMATA has not annually held by June 30 of each year at least one public hearing on such capital improvement program held in a locality embraced by the NVTC.

b) WMATA, by June 30, 2027, and each fiscal year thereafter, has not complied with its reporting commitments under the DMV Moves Plan, comprised of the most recent 20-year capital plan, to be updated every five years, including: (a) an analysis of potential capital investments that reduce operating costs; (b) funding or financial plans for major projects with capital costs greater than $300 million, adjusted with inflation and (c) an assessment of state of good repair needs.

c) As an appendix the 20-year capital plan to be updated every five years, WMATA does not include a service evaluation that contains: a) a review of the performance of fixed-route bus service, including schedules, route design, connectivity, and vehicle sizes, b) an evaluation of opportunities to improve operating efficiency of the transit network, including reliability of trips and travel speed, c) an examination and

identification of opportunities to share services where multiple transit providers' services overlap; and d) an examination of opportunities to improve service in underserved area.

d) By June 30, starting in 2027, WMATA has not submitted to the Metropolitan Washington Council of Governments, the Northern Virginia Transportation Commission, and DRPT an annual report on system performance, detailing progress toward DMV Moves goals and objectives. The report shall include actual prior-year and anticipated next-year cost savings and cost efficiency efforts in the operating and/or capital budgets, and the use and outcomes of DMV Moves funding, if applicable.

Fulfilment of Rail Modernization Requirements (Section 33.2-1526.1(N))

1) The CTB shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

   a) If the Board of Directors of the Washington Metropolitan Area Transit Authority has not adopted a rail signaling and automation workforce transition plan, developed in consultation with affected collective bargaining units, on or before July 1, 2028.

   b) Starting July 1, 2028, if a rail or bus operator employed by the Washington Metropolitan Area Transit Authority is terminated due to a reduction in force caused by the automation of the rail system.

2) Starting with the FY 2029 Budget Book, WMATA shall indicate in the human capital table of budgeted FTEs, whether terminations are anticipated to be required due to the automation of the rail system. For a mitigation opportunity to be considered, WMATA must notify DRPT 30 days prior to any terminations, if the reason is due to a reduction in force caused by the automation of the rail system.

Submission of a Detail Annual Operating Budget and Capital Expenditures and Projects (Section 33.2-1526.1(O))

The CTB shall withhold an amount equal to 35 percent of the funds available under 33.2-1526.1(D)(4) if:

a) WMATA has not prepared and submitted a detailed proposed annual operating budget and any proposed capital expenditures and projects for the following fiscal year to DRPT to transmit to the CTB by April 1 of each year.

b) The Commonwealth's and NVTC's principal representatives to the WMATA Board and the WMATA General Manager fail to annually address the CTB regarding the WMATA budget, system performance, and utilization of the Commonwealth's investment in the WMATA system.

2) The proposed annual budget submission by WMATA to DRPT shall include information on expenditures, indebtedness, pensions, and other liabilities, and other information as prescribed by the CTB. The budget submission shall also include the audited financial statements for each defined-benefit pension plan to which WMATA contributes for the previous fiscal year, presented in accordance with the Governmental Accounting Standards Board (GASB) Statement Number 67.

Resolution of Withholding of Funds

1) The CTB will release any withheld funding upon approval or implementation of an approved mitigation action. The CTB will determine what constitutes an approved mitigation action. The CTB shall retain as a penalty any funding withheld during a fiscal year in response to a violation for which there is no mitigation.

Additional Considerations

1) The CTB, DRPT, WMATA, the NVTC, and NVTC's member jurisdictions shall proactively collaborate to avoid activities that would require the CTB to withhold funding.

2) DRPT will analyze all necessary documentation and deliver to the CTB annually, a recommendation on enforcement actions, if any, that are required to be taken by this policy.

3) DRPT will provide published reports referenced in this policy to the CTB.

4) After December 15 of each year, the NVTC shall deliver to the CTB the findings included in its report on the performance and condition of WMATA required under Section 33.2-3403 of the Code of Virginia.

5) The CTB reserves the right to approve exceptions to this policy at any time in response to special or extraordinary circumstances.

6) Given that the condition of the WMATA system may change over time, the CTB will consider revisions and/or updates to these guidelines at least every two years.

BE IT FURTHER RESOLVED, that all versions of the Policy and Guidelines for Implementation of Governance and Funding Reforms for the Washington Metropolitan Area Transit Authority (WMATA) approved by the Board prior to this action are superseded by this revised policy and are hereby rescinded.

####

COMMONWEALTH *of* VIRGINIA

Office of the

SECRETARY *of* TRANSPORTATION

Virginia Highway Safety Improvement Plan Overview

Goal for Presentation: Prepare you to vote in October on VHSIP

Dec 2019: HSIP Project Prioritization Policy

- Data-driven strategy focusing on low cost high potential crash reduction infrastructure (systemic and hybrid) safety improvements. Restricted investment in spot improvement projects

2020 GA Session: Establishing Virginia HSIP § 33.2-373 & § 46.2-818.2

- Provided funding: 54 % for infrastructure, 29% for behavioral strategies, remainder for purposes eligible pursuant to Boad strategy with required development of 5-year investment strategy: Established hand-held ban.

2022 Virginia Highway Safety Investment Strategy

- VDOT developed plans for deployment of systemic/hybrid countermeasures & DMV developed more focused behavioral safety program

Mar/Apr 2026

- CTB Presentations – Updating on Past 4 Years

September 2026 (today)

- Presentation of Va Highway Safety Investment Plan (VHSIP) for 2026-2032

October 2026

- Vote - Adoption of VHSIP within budget

Nov/Dec 2026

- Presentation and adoption of Virginia State Highway Safety Plan (SHSP) which is broader than VHSIP, and federally required

Traffic Safety – A Critical Issue for Virginia

Last year, every single day on Virginia roads …

2

people died

18

people suffered life-altering injuries

… in crashes that are almost always preventable.

Philosophy – Collaboration to Tackle the Hardest Problems, Focus on High ROI

Theme	What's New in "Phase III"	What's the Same as Prior VHSIP plan
Collaboration	• Integrated working group across agencies, pairing behavioral and infrastructure where possible	• Each agency focuses on what they're best at.
ROI-focus	• More rigorous comparison of 'systemic' fixes, inclusion of select 'hybrid' techniques. • Fewer focus areas to allow for more effective execution.	• Direct spending to 'systemic' fixes that have highest ROI.
Innovation	• Allow specific budget early in process to test new ideas – if they pay off, we'll expand. • More rigorous impact measurement	

Methodology for ROI-Focus

ID Focus areas

- ID most common crash causes
- Find and list large array of countermeasures that are VHSIP eligible

Research countermeasures

- Find best known estimates of a) cost per countermeasure and b) range of expected impact ($ per Fatal and Serious Injury avoided)

Rank and select

- Rank each category by $/Fatal and Serious Injury avoided
- Eliminate all >$400k/Fatal and Serious Injury
- Select final list

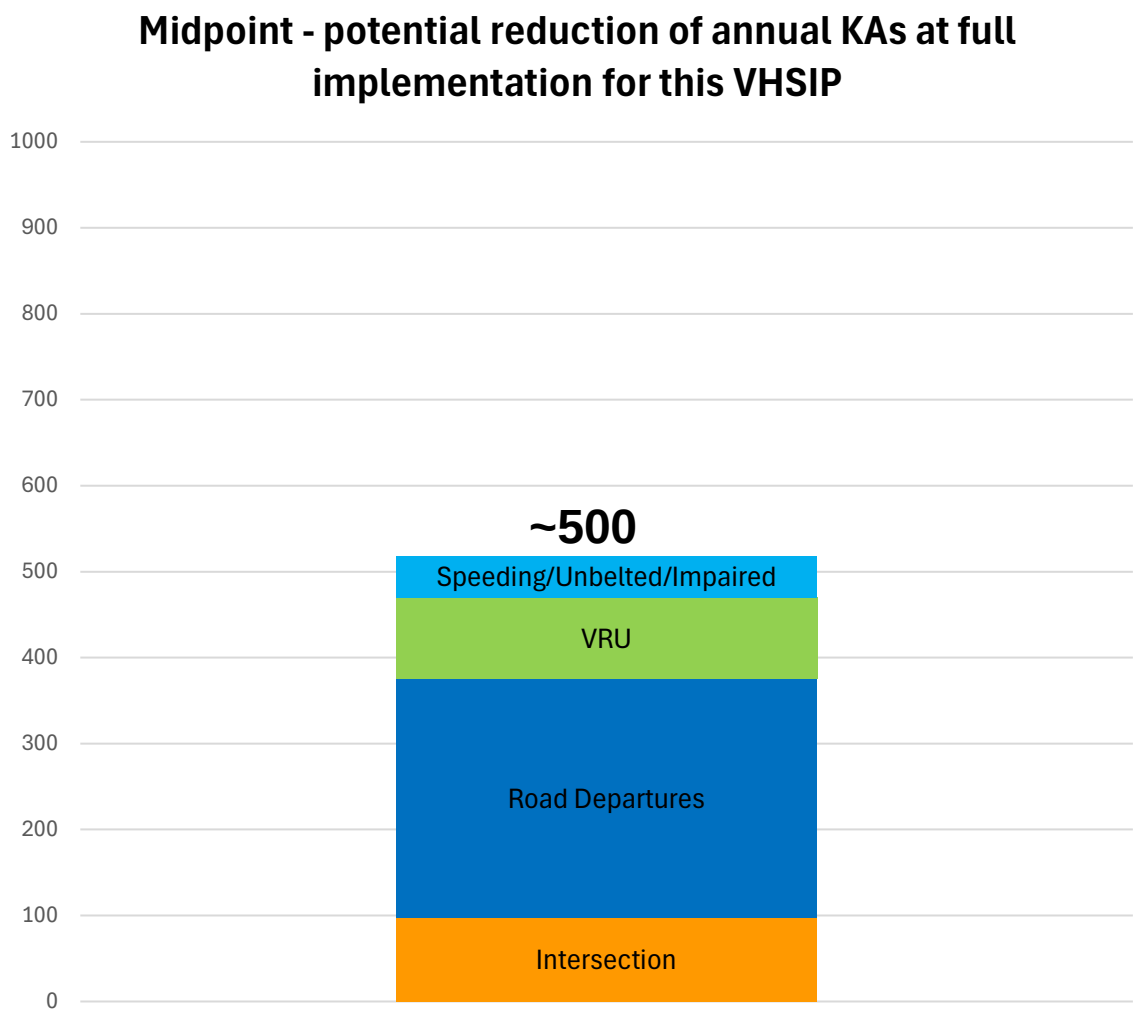
Optimize

- Analyze extent of available locations in VA for each options
- Balancing available budget, resources, % split constraints, readiness, etc. design investment strategy

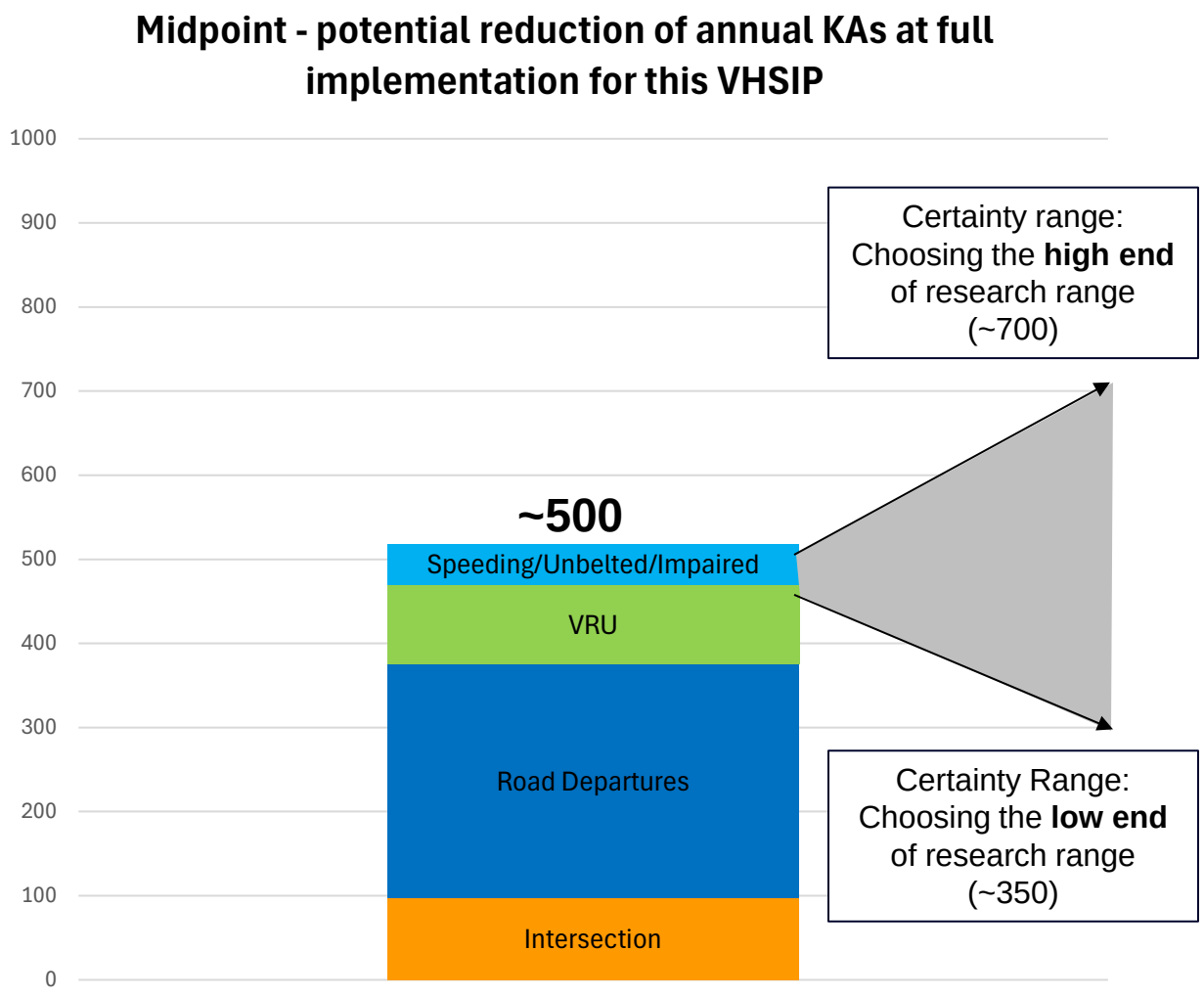
What made the cut for this VHSIP?

Focus Area	Infrastructure * Also supports another focus row	Education * Also supports another focus row	Law Enforcement / Administrative	Average $ per FSI Avoided
Vulnerable Road Users	• Rapid Flashing Beacons • VRU – other enhancements at intersections* (ped countdown, high vis markings, lightings, etc) • Pedestrian hybrid beacon* • Transit-stop design, signal priority improvements	• Research-Based Behavior Campaigns*	• Modified TREDS*	**$114k / FSI avoided**
Intersections	• Targeted 4-way stop* • Pavement Friction Intersections* • Dynamic all-red extensions*	• Digital crash scene*		**$35k / FSI avoided**
Roadway Departures	• Construction-ready rural roads, rumble strips • New miles rural roads, rumble strips • Pavement friction on curves • 2, 4 Lane enhanced pavement markings	• Research-Based Behavior Campaigns*		**$84k / FSI avoided**
Speeding		• Thought provoking actions	• Law enforcement challenge • Safe Speed Limit and Design Speed Setting (pilot)	**Needs more research to estimate**
Impaired + Distracted Driving		• Research-Based Behavior Campaigns	• Sobriety check points	**Needs more research to estimate**
Unrestrained driving		• Grassroots campaign* • Behavioral outreach*		**Needs more research to estimate**

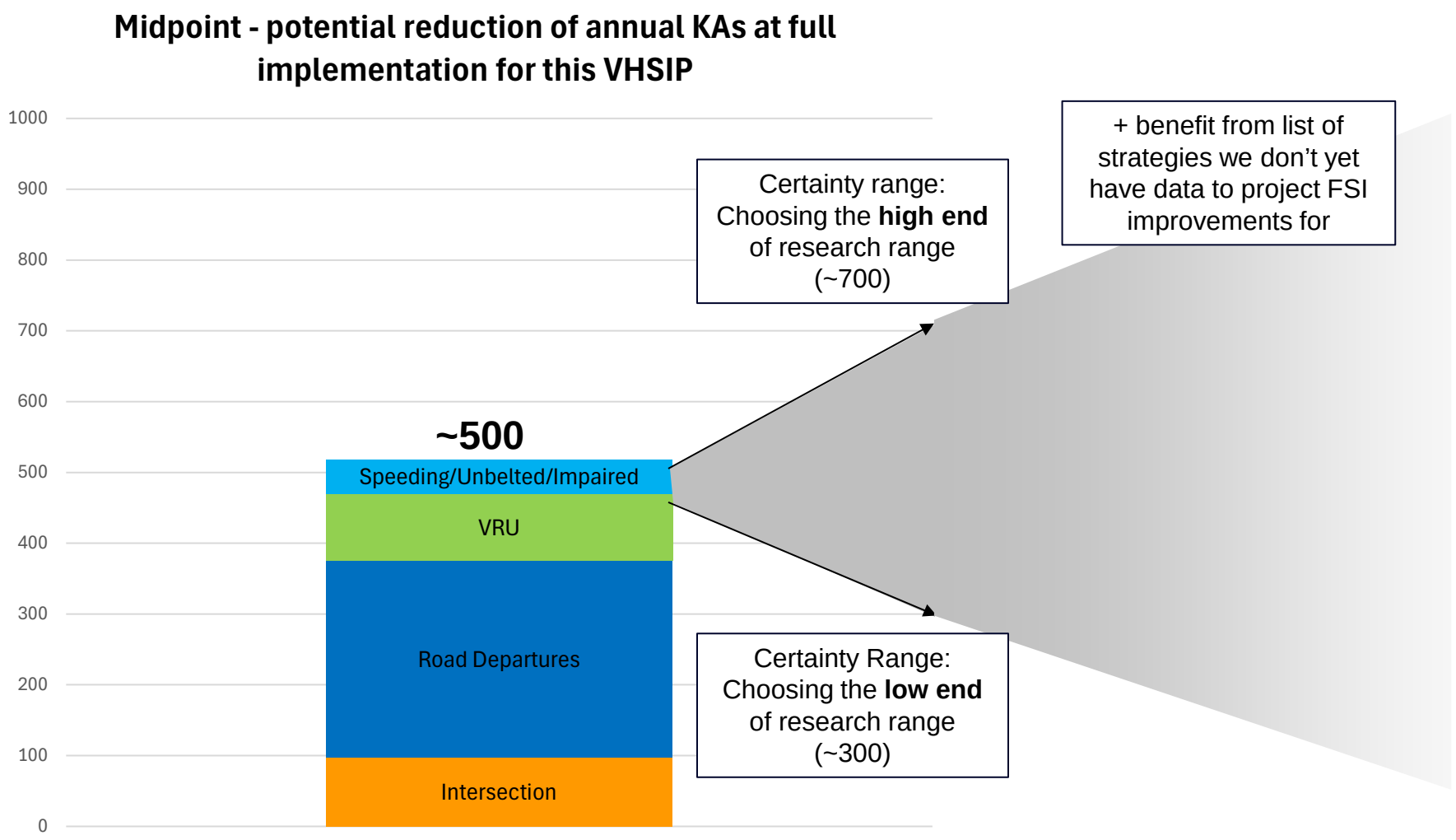
How do we “predict” the impact of our investment?



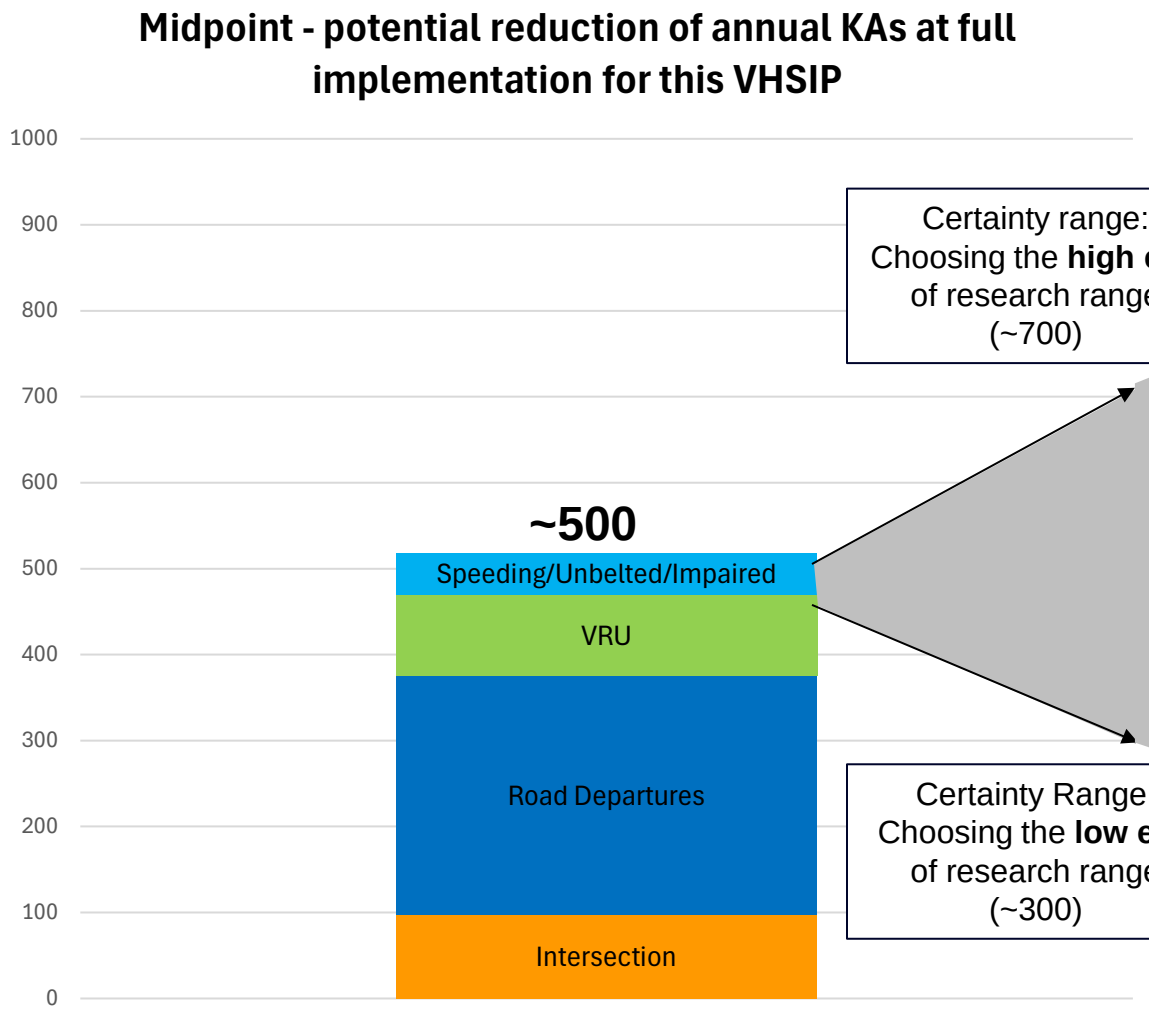
How do we “predict” the impact of our investment?



How do we “predict” the impact of our investment?



How do we “predict” the impact of our investment?



Certainty range: Choosing the **high end** of research range (~700)

Certainty Range: Choosing the **low end** of research range (~300)

+ benefit from list of strategies we don’t yet have data to project FSI improvements for

Macro-society factors that can improve actual outcomes:

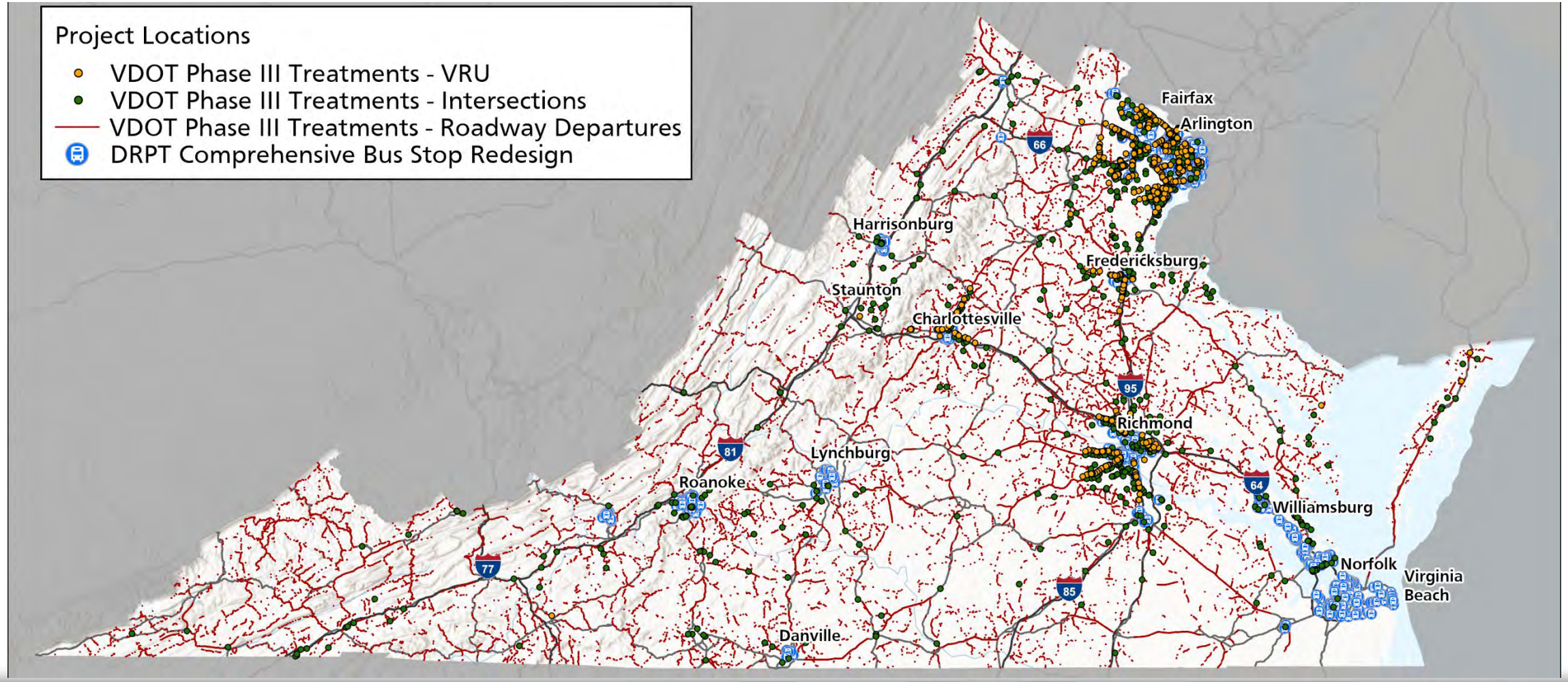
- Safer car design
- Safety-positive uptake of autonomous features and vehicles
- More conformance with seatbelt, speeding, distracted, drunk driving laws (possibly because of ASEs)
- Less overall alcohol/drug use
- Less driving (mode shift, WFH, etc.)

Macro-society factors that can hurt actual outcomes:

- More societal alcohol/drug use
- Less conformance with seatbelt, speeding, distracted, drunk driving laws
- Significantly reduced congestion (like COVID) → higher overall speeds
- More driving

OVERVIEW

VHSIP Phase III and DRPT Planned Safety Treatment Locations



Implementation Plan for VHSIP Projects

Financially Constrained Proposed Projected Funding

Legend:

PE/ Planning	PE & CN	CN	Ongoing

Notes: Based on FY 2027 Six-Year Financial Plan
FY33 figures are based on future assumptions

Countermeasures	Emphasis Area	Planned Locations (# or Miles)	Previous FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Pilot Investigations	All	-							
VRU Treatments - VDOT	VRU	**432 Intersections**							
All Way Stop Controlled Intersections	Intersection	**375 Intersections**							
Enhanced Pavement Marking	Roadway Departure	**2000 Miles**							
Dynamic All Red Extension	Intersection	**150 Intersections**							
High Friction Surface Treatment	RD/Intersection	**500 Curves/Intersections**							
Rural Roads	Roadway Departure	**2600 Miles**							
Locality VRU and Intersection Systemic	VRU	**1470 Locations**							
Behavioral Campaigns and Interventions	All	**-**							
Law Enforcement	Speeding, unbelted, impaired	**-**							

VHSIP Phase III Pilot Program
For this VHSIP – we hold a special budget for pilots

There are some things that we suspect could be very high ROI for safety – but the data isn't available yet.

Therefore we hold a budget for piloting new ideas with an emphasis on measurement of impact

We will expand implementation of pilot concepts that go very well, and share our results to benefit the community

$6M Total Cost

Example pilot concepts:

- Rail Crossing Monitoring: Technology-based solutions to monitor real time conditions and send alerts of incidents/occupations at high-risk crossings
- Safe Speed Limit and Design Speed: study to consider lower/maximum speeds on urban/suburban arterials and collectors with potential for reduced FSI
- Research-Based Behavior Campaigns: study to assess effectiveness of specific targeted behaviors (both in reduction in FSI and changes in behavior)

VULNERABLE ROAD USERS

Reminder from April Presentation: Pedestrian & Bicyclist Fatalities and Serious Injuries

Pedestrian & Bicyclist	Annual Average	% of All
Fatalities (F)	155	17%
Serious Injuries (SI)	585	8%

49% of pedestrians on urban roads are within 500ft of a bus stop

79% of fatalities and 53% of serious injuries on urban roads are at night

89% of fatalities and serious injuries are on urban / suburban roadways

66% on urban roads occurred within intersections*

Note: All numbers are based on 2021-2025 crash data.

* Within 150 feet of intersection

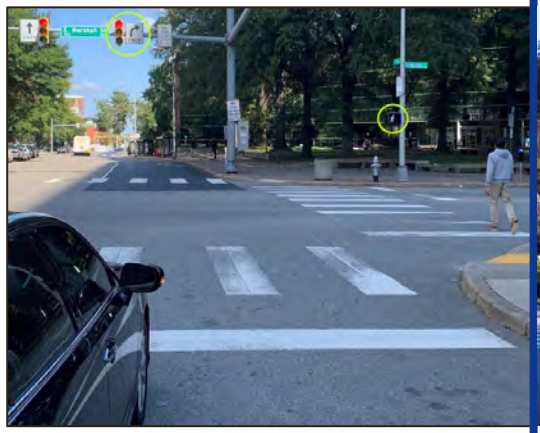
VHSIP Phase III Planned Safety Treatments
VDOT Vulnerable Road Users (VRU)

*VRU reductions are broken into two parts – locality and VDOT focused. Thus, $/FSI is different than on opening chart which combines them.

432 Total Locations
Note: Number subject to field reviews.

$60M Total Cost
FY 27-32

8-15 FSI Reduction/Year
$385K Annually per FSI Reduction*

Leading Pedestrian Interval	Pedestrian Crossing	Crosswalk Lighting	Pedestrian Countdown Signal
			
400 locations	141 locations	321 locations	169 locations
Up to 13% vehicle-pedestrian crash reduction	**Up to 40%** vehicle-pedestrian crash reduction	**Up to 12%** vehicle-pedestrian crash reduction	**Up to 9%** vehicle-pedestrian crash reduction

DRPT/Locality - Comprehensive Bus Stop Re-Design

*VRU reductions are broken into two parts – locality and VDOT focused. Thus, $/FSI is different than on opening chart which combines them.

420-600 Locations

Note: Number subject to field review and locality support

$75M Total Cost FY 27-32

50-125 FSI Reduction/Year
$75K Annually per FSI Reduction*

Rectangular Rapid Flashing Beacons

Up to 69%
vehicle-pedestrian crash reduction

Pedestrian Hybrid Beacon

Up to 58%
vehicle-pedestrian crash reduction

Transit Signal Priority

Up to 8%
vehicle-pedestrian crash reduction

Bus Stop Redesign

Up to 20%
vehicle-pedestrian crash reduction

Behavioral Techniques for VRUs

Examples

- Statewide advertising (e.g., “You are Not a Duck” fall campaign and "See and Be Seen" messaging)
- Targeted grassroots outreach (e.g., West Broad Street corridor initiative)
- Localized driver engagement for new infrastructure (e.g., bike lanes)

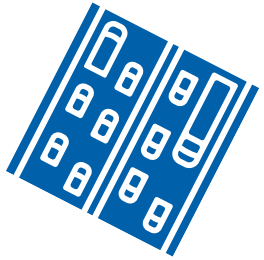
New and Continuing Laws Will Support Our VRU Goals, Though they are Outsight the Purview of the VHSIP

Previous Laws	Laws Added in 2026
• Photo Speed monitoring in school zones (SZ), high risk intersections (@ SZ)	• Photo Speed monitoring in VRU safety red zones in NoVA (PD-8)
• Traffic Signal red light running violation monitoring	• Stop-sign and pedestrian crossing violation monitoring • Passing stopped bus technology and enforcement

INTERSECTIONS

Reminder from April Presentation: Intersection Related - Fatalities & Serious Injuries

Intersection Related	Annual Average	% of Total
Fatalities (F)	312	34%
Serious Injuries (SI)	3,135	44%



76% of fatalities and serious injuries at intersections are on urban / suburban roadways

54% of fatalities and 39% of serious injuries on urban intersections are at night

Note: All numbers are based on 2021-2025 crash data. 0.3% F&SI crashes have speed limit & lane count info unknown.

VHSIP Phase III Planned Safety Treatments
VDOT Intersections

775 Total Locations
Note: Number subject to field reviews.

$45M Total Cost
FY 27-33

86-116 FSI Reduction/Year
$35K Annually per FSI Reduction

High Friction Surface Treatment

250 intersections

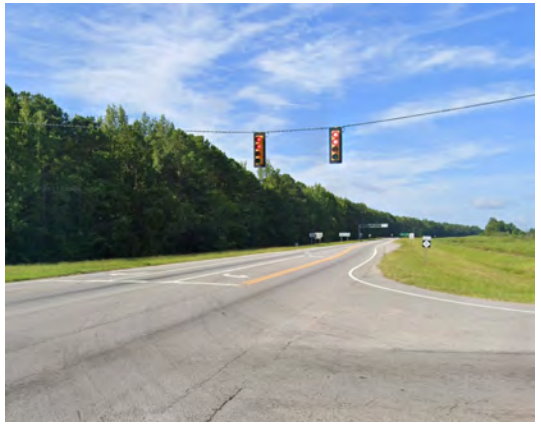
Up to 55%
crash reduction

All-Way Stop Controlled

375 intersections

Up to 70%
crash reduction

Dynamic All-Red Extension



150 intersections

Up to 7%
red-light running
crash reduction

Behavioral Techniques

Examples:

- Localized community engagement for new infrastructure (e.g., roundabouts)
- Broader engagement for new systemic fixes being deployed in a region (such as high friction surface treatment)

Legal and Administrative

- We will roll out updates to traffic crash data collection requirements through TREDS (Traffic Records Electronic Data System) to help us better understand crashes and emerging trends

	Count	Highest Time Period(s)	Highest Day(s)	Highest Month(s)
Fatal Crashes	4	9:00pm - 11:59pm (50%)	Friday - Saturday (50%)	April - August (50%)
Resulting Fatalities	4			
Serious Injury Crashes	26	6:00pm - 8:59pm (19%)	Friday - Sunday (38%)	September (19%)

Images of district crash data reports from TREDS

ROADWAY DEPARTURES

Reminder from April:
Roadway Departures - Fatalities & Serious Injuries

Roadway Departures	Annual Average	% of Total
Fatalities (F)	448	48.5%
Serious Injuries (SI)	2,548	35.5%

60% of departure related fatalities and serious injuries are on rural roadways

73% of fatalities and serious injuries involve either impaired driving, speeding, or unprotected occupants

Note: All numbers are based on 2021-2025 crash data. 0.1% F&SI crashes have speed limit & lane count info unknown.

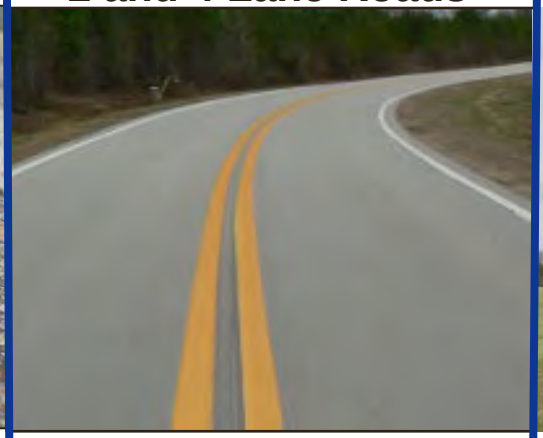
VHSIP Phase III Planned Safety Treatments
Roadway Departures on VDOT Systems

250 Curves and 4,600 Miles

Note: Numbers subject to field reviews.

$245M Total Cost FY 27-33

227-366 FSI Reduction/Year
$81K Annually per FSI Reduction

High Friction Surface Treatment (Curves)	Enhanced Pavement Marking 2 and 4 Lane Roads	Expanded Two-Lane Rural Roads
		
250 curves	**2,000 miles**	**2,600 miles**
Up to 55% crash reduction	**Up to 37% crash reduction**	**Up to 48% crash reduction**

Behavioral Techniques

Examples:

- Digital alerting system to protect first responders at roadside incidents
- Distracted and drowsy driving prevention campaigns
- Defensive driving training for teens to prevent overcorrecting

SPEEDING, IMPAIRED/DISTRACTED DRIVING, UNBELTED

Reminder from April Presentation:
Reminder on Behavioral Elements of FSI

3 main behavioral factors in crashes on our roadways*		
Speeding – 2,087 fatalities (45% of all fatalities)	**Unrestrained** – 1,643 fatalities (36% of all fatalities)	**Alcohol** – 1,380 fatalities (30% of all fatalities)

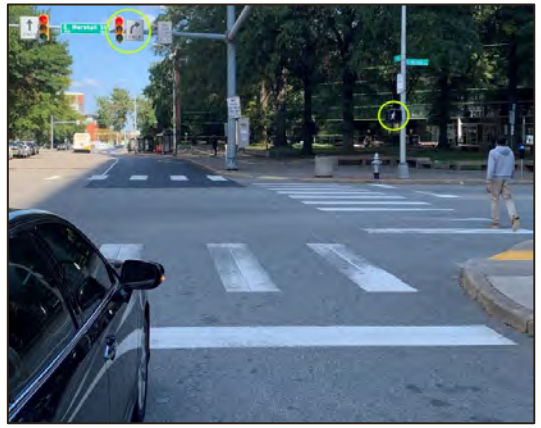
These factors often occur simultaneously	
53% of **unrestrained** fatalities involve **speed** & 35% involve **alcohol**	52% of **alcohol-related** fatalities involve **speed**

75% of fatalities involve at least one of the three – Speeding, Impaired*, Unbelted

Infrastructure Techniques

Many of the infrastructure techniques described before are design to mitigate speeding

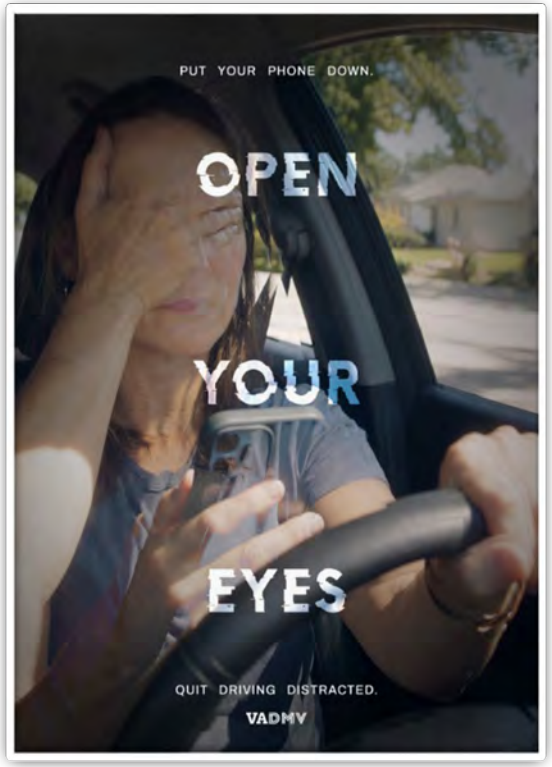
- VRU accommodations and traffic control devices indicate context for activity
- All Way Stop intersections reduces speed of potential collisions
- Curve delineation and warning signs for appropriate speeds



Behavioral Intervention Techniques

Examples:

- Statewide advertising (e.g., “Open Your Eyes” distracted driving prevention campaign)
- High-impact activations (e.g., “Speed Has an Impact ladder)
- Grassroots community engagement (e.g., Community Voices seat belt project)
- Sports marketing (e.g., college and professional athletic partnerships)



Law Enforcement Support Focused on Speeding, Impaired Driving

VHSIP includes:

- Funding for law enforcement support (e.g., overtime funding for sobriety checkpoints and saturation patrols)
- Law enforcement challenge to recognize agencies who meet traffic enforcement goals

BUDGET SUMMARY

Behavioral Funding Strategy for October Vote

Countermeasures	Emphasis Area	Previous FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	SYIP Totals
Marketing & Outreach	All	$33.8	$27.2	$28.2	$30.0	$30.8	$22.5	$22.5	$195.0
Law Enforcement & First Responders	All	$8.5	$8.0	$8.0	$8.0	$8.0	$8.0	$7.0	$55.5
Education	All	$6.0	$7.0	$7.0	$7.0	$7.0	$7.0	$6.0	$47.0
Court & Recidivism Prevention	Impaired	$5.0	$6.0	$6.0	$5.0	$5.0	$5.0	$4.2	$36.2
Sober Ride Programs	Impaired	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$7.0
Innovation	All	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$7.0
Program Support	All	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$1.0	$7.0
Annual Expenditure Amount		$56.3	$51.2	$52.2	$53.0	$53.8	$45.5	$42.7	$354.7

Implementation Plan for Infrastructure Systemic Treatments

Financially Constrained Proposed Projected Funding

Based on FY 2027 Six-Year Financial Plan

Legend: PE | PE & CN | CN | Ongoing

****FY33 based on future assumptions****

Countermeasures	Emphasis Area	Future Cost ($M)	Planned Locations (# or Miles)	Previous FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33**	SYIP Totals
Pilot Projects	All	**$6M**	~								
VRU Intersection Treatments	VRU	**60.0**	432 Intersections								
All Way Stop Controlled Intersections	Intersection	**15.0**	375 Intersections								
Enhanced Pavement Marking	Roadway Departure	**70.0**	2000 Miles								
Dynamic All Red Extension (DARE)	Intersection	**10.0**	150 Intersections								
High Friction Surface Treatment (HFST)	RD/Intersection	**45.0**	500 Curves/Intersections								
Two Lane Rural Road (TLRR)	Roadway Departure	**150.0**	2600 Miles								
Locality VRU and Intersection Systemic (w/ DRPT)	VRU	**75.0**	1470 Locations								
Total Spending Plan ($M)		**425**		**82.0**	**39.0**	**31.0**	**44.0**	**69.0**	**83.0**	**77.0**	**425.0**

Previous Implementation Plan Phases for Systemic Treatments

Legend:	PE	PE & CN	CN

Countermeasures	HSIP Funding Through FY 33 ($M)	Planned Locations (# or Miles)	Delivery Complete (%)	Previous FY27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33
Phase I Original Systemic Plan (2020)										
High-Visibility Backplates (VDOT)	15.0	3,032 Intersections	100%							
Flashing Yellow Arrows (VDOT)	10.0	1,144 Intersections	100%							
Curve Delineation (VDOT)	15.0	1,486 Curves	100%							
Unsignalized Intersection (VDOT)	15.0	1,512 Intersections	100%							
Pedestrian Crossings (VDOT)	25.0	441 Crossings	95%							
Shoulder Wedge (VDOT)	Maintenance funds	27,105 Miles	9%							
CL Rumbles - Primaries (VDOT)	10.0	1,889 Miles	65%							
Edge Rumbles - Primaries (VDOT)	15.0	2,609 Miles	62%							
Total	**105.0**			**105.0**						
Phase II Systemic Plan (2022)										
Locality Systemic Projects (Urban)	125.0	86 UPC's Various	Under Way							
Expanded Flashing Yellow Arrows (VDOT)	10.0	142 Intersections	92%							
Expanded Pedestrian Crossings (VDOT)	20.0	179 Crossings	81%							
Two-Lane Rural Roads (VDOT)- TLRR	90.0	2096 Miles	40%							
TLRR (VDOT) - Shoulder Widen + Rumbles	55.0	104 Miles	Under Way							
Spot Projects (VDOT)	145.0	59 UPC's Various	Under Way							
Total	**440.0**			**320.0**	**65.0**	**45.0**	**10.0**			
Grand Total	**545.0**			**425.0**	**65.0**	**45.0**	**10.0**	**0.0**	**0.0**	**0.0**

KEY RISKS AND MITIGATIONS

Risk and Planned Mitigations

Topic	Local Alignment to Strategy	Project Readiness Coordination	Human Beings
Risk	Localities are required to invest VHSIP $ in VHSIP strategy – but some may prefer other investments, be unfamiliar with these, or have trouble delivering on time.	Thousands of projects must be coordinated and ready to go at the right time across multiple districts. That's hard.	Human beings will keep making choices every moment they drive. Some of those are bad choices.
Mitigation	1. Provide recommended interventions to localities based on geospatial data 2. Strong and maintained outreach and education 3. Reminder that funding for spot improvements for safety exists elsewhere 4. Offer VDOT implementation where appropriate	1. Prescreening of asset inventory to prioritize locations. 2. Deprioritize locations with ROW, utility, etc. to save time. 3. Rigorous milestone tracking.	1. Keep pushing to improve behavioral interventions 2. Engage thoughtfully in hard conversations about the balance of safety vs. other important values.

COMMONWEALTH *of* VIRGINIA

Office of the

SECRETARY *of* TRANSPORTATION

Thank you.

VDOT

Virginia Department of Transportation

HAMPTON ROADS BRIDGE-TUNNEL EXPANSION

September 15, 2026

Side Letter with HRTAC to Amend PAFA

September 15, 2026

Purpose

CTB action is needed to authorize the Commissioner to execute a Side Letter amending the Project Agreement for Funding and Administration (PAFA) between VDOT and HRTAC.

Board action is requested in September 2026.

This action is the required to enable VDOT to issue a Work Order to Hampton Roads Connector Partners ("HRCP") that modifies certain milestone dates specified in the Comprehensive Agreement.

Issue

As part of the process to deliver the Hampton Roads Bridge Tunnel ("HRBT") Expansion Project:

1) **VDOT and the Hampton Roads Transportation Accountability Commission ("HRTAC") entered into the Project Agreement for Funding and Administration ("PAFA") which establishes the relationship and processes for administering the project**

2) **VDOT and Hampton Roads Connector Partners ("HRCP") entered into the Comprehensive Agreement which provides the framework to design and build the Project**

Facts

VDOT, after receiving the required notices and supporting information to establish entitlement and quantum, has negotiated a Work Order with HRCP.

Scope of the Work Order includes additional time and money for the replacement of tunnel segments that VDOT determined could potentially impact the durability of the tunnel.

Terms of the Work Order provide HRCP:

a) $19.4M in additional compensation
b) 60-day extension to the No Excuses Incentive, Substantial Completion Deadline, and Final Completion Deadline.
   - "No Excuses Incentive" is an early completion bonus if Substantial Completion is achieved ahead of schedule
   - "Substantial Completion" generally means beneficial use of the new tunnels and facility
   - "Final Completion" means full completion of the Project

Facts

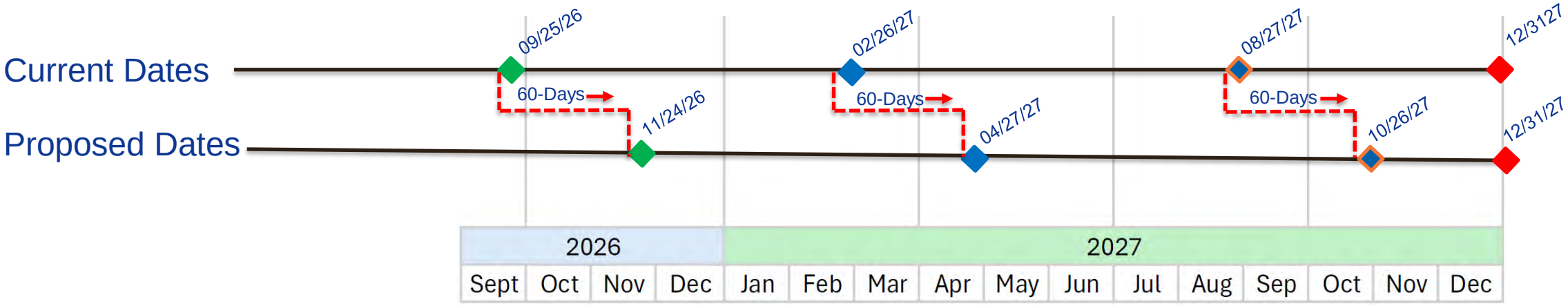
Under the terms of the PAFA, VDOT may not alter the dates associated with the No Excuses Incentive without consent of HRTAC.

The proposed Side Letter would:

1) **Memorialize HRTAC consent to modifying the dates associated with the No Excuses Incentive**
2) **Amend the PAFA to reflect consistent dates with the Work Order (which modifies the Comprehensive Agreement)**
3) **Clarify the mechanics by which VDOT may request reimbursement of the No Excuses Incentive**
   a) **Timing for requesting such reimbursement**
   b) **Limitations on HRTAC's obligation to pay such reimbursement should its Maximum Commission Financial Commitment be met**

Facts

HRBT Expansion Project Dates of Significance



- Start of No Excuses Incentive; $90M earned if Substantial Completion achieved by this date
- End of No Excuses Incentive; $0M earned if Substantial Completion achieved by this date
  Substantial Completion Deadline
- Final Completion Deadline
- Long Stop Deadline → HRCP in default if Final Completion not achieved by this date. Remains unchanged.

VDOT

Virginia Department of Transportation

VDOT RESILIENCE EFFORTS

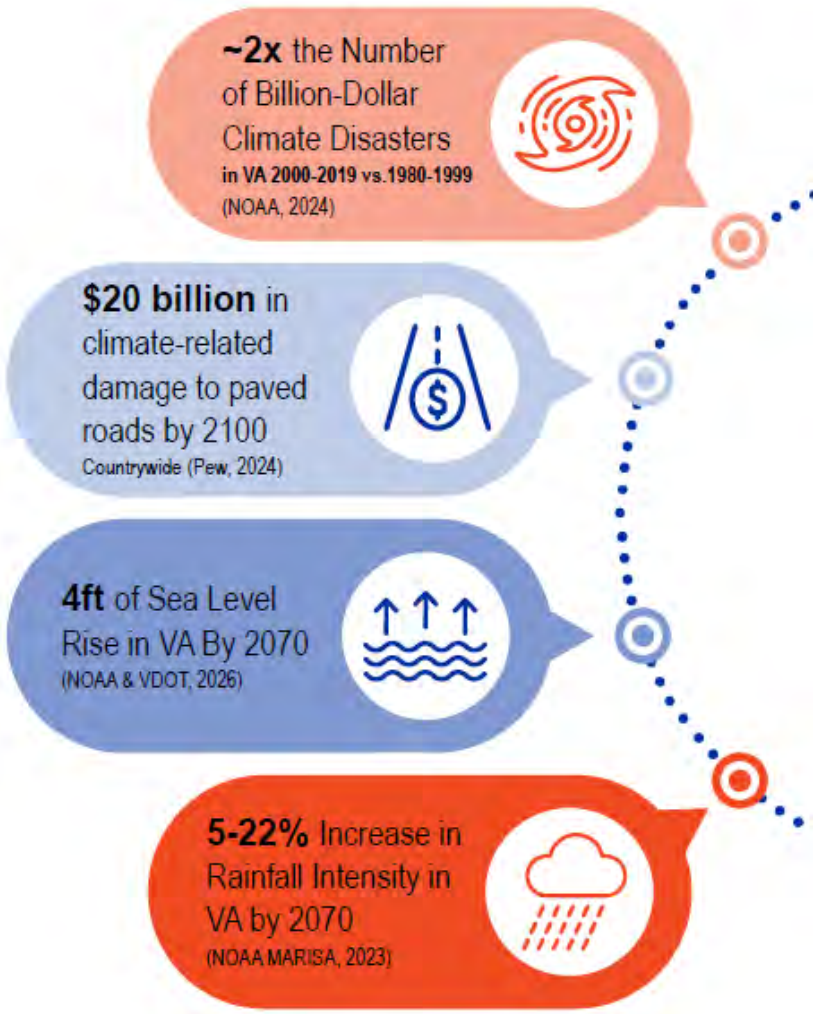
Chris Swanson, Environmental Division Director

09/15/2026

Need for Resilience

- Shifting environmental conditions are increasing the impacts of natural hazards on our assets – on top of ongoing Maintenance and Operations challenges
- In 2021 CTB adopted three Strategic Actions directing data collection, policies, and collaboration to mitigate flooding risks
- VDOT released Resilience Plan in 2022 building on these actions
- Today's presentation provides an overview of efforts since 2022
- Follow up presentation will address cost implications of resilience

Urgent Need for Resilience

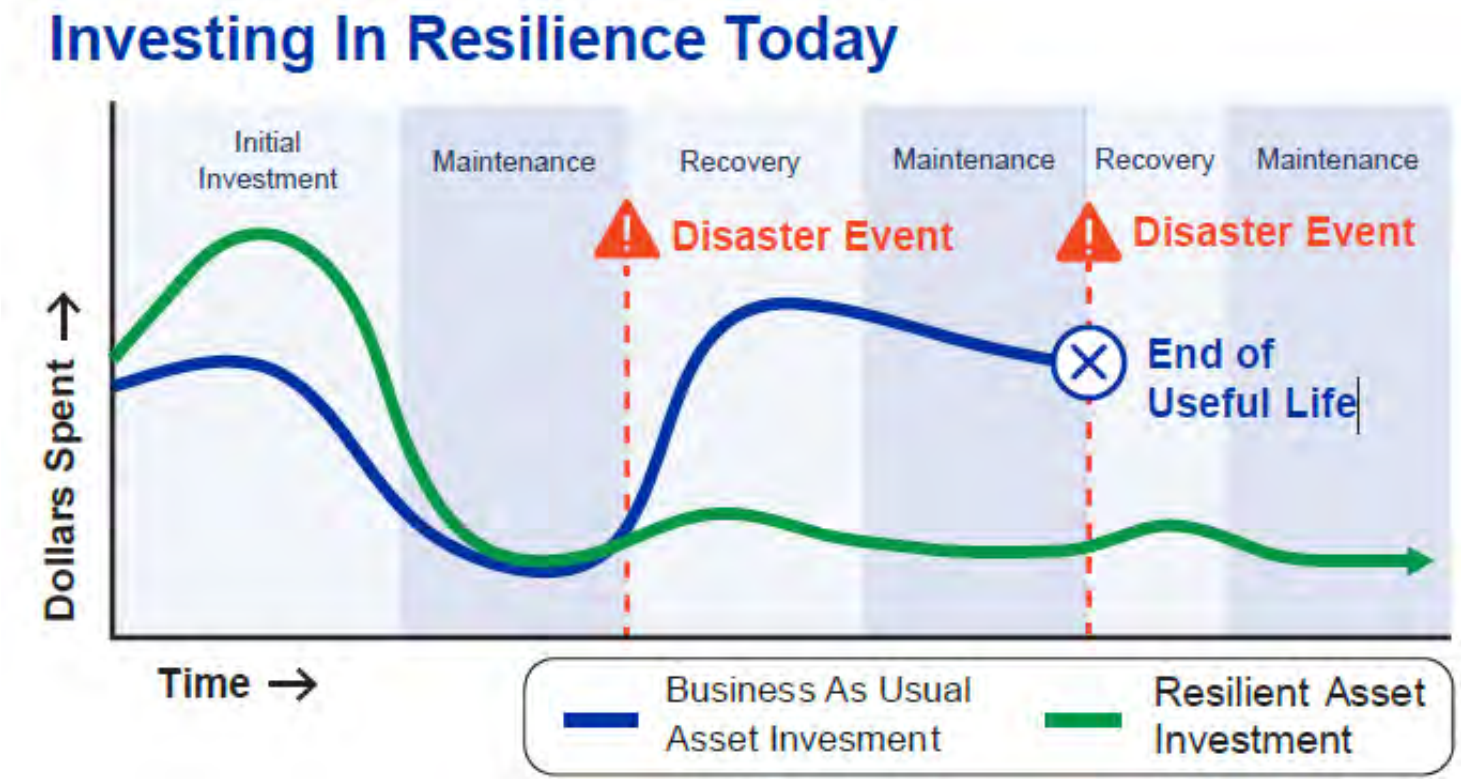


- Shifting environmental conditions are placing greater stress on transportation assets and network
- Hurricane Helene highlighted the need for resilience investments
  - 414 road and 99 structures closed
  - Over 12 months of repair
- Norfolk experienced over 6 inches of rain in 2 hours on August 6th, 2026 that coincided with high tide
  - Sea level rise and high tides can reduce the capacity of the storm sewer system by up to 80% before a rain event
  - Significant roadway flooding and submerged vehicles

Why Invest in Resilience?

Investments support proactive preservation approach, leading to:

- Stronger infrastructure that can withstand impacts and extend its useful life
- Sustained operations with lower maintenance costs
- Expedited recovery after disaster events
- Increased public safety and confidence



Every $1 Invested in Resilience Results in up to $11 of Damages Avoided (NIBS, 2019)

Virginia Resilience Drivers

Executive Orders (EO)

- EO 24 (2018) – Increasing Virginia's Resilience to Sea Level Rise and Natural Hazards
- EO 45 (2019) – Floodplain Management Requirements and Planning Standards for State Agencies, Institutions, and Property

Legislation

- Chapter 51 (2021) – requires the Commonwealth Transportation Board (CTB) to consider resilience when adopting the Statewide Transportation Plan and, when evaluating projects for SMART SCALE, determine whether a project has been designed to be resilient.
- Chapter 52 (2021) – requires that the Commissioner of Highways incorporate resiliency into the design standards for new construction projects.

VDOT Resilience Drivers

VTrans Strategic Actions (2021):

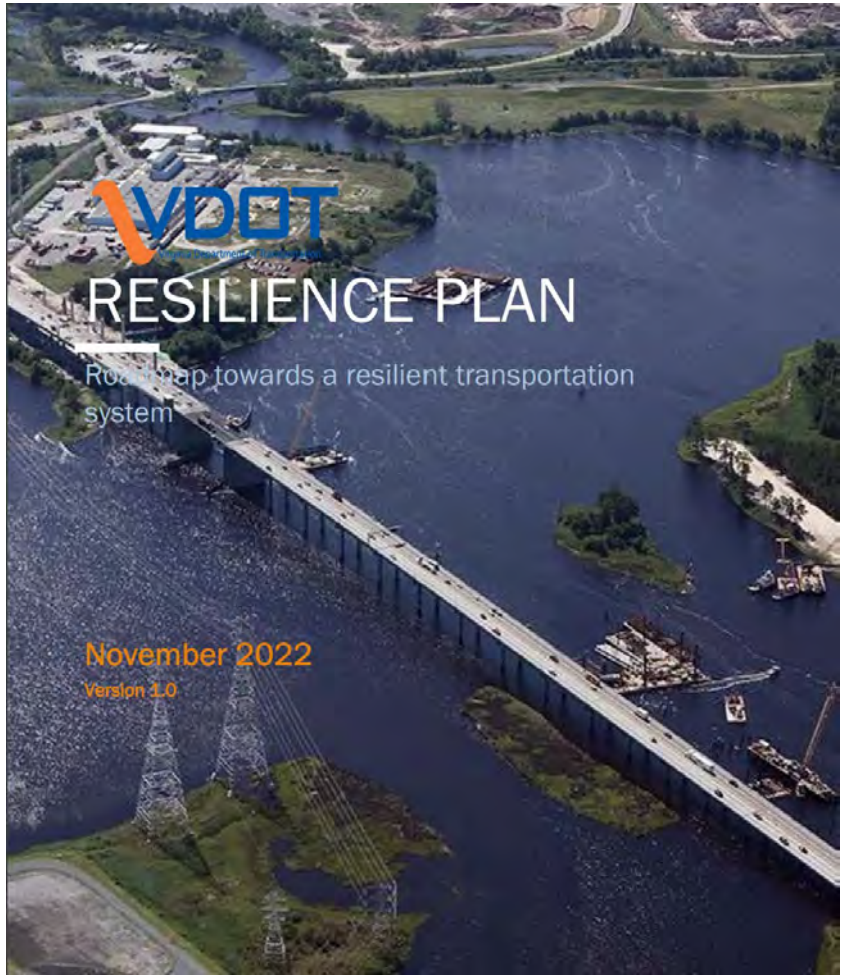
1. Collect data (e.g., right-of-way mapping, precipitation, roadway elevation, etc.) to accurately assess flooding risks for state- and locally-maintained roadways that can be used to identify funding needs and prioritize investment.
2. Develop policies, based on robust data collection and analysis, to ensure flooding risks are reflected in transportation asset life cycle and/or transportation project planning processes.
3. Collaborate with state/regional agencies to systematically identify solutions that facilitate consistent and systematic prioritization and support the allocation of state resources to address flooding risks.

VDOT developed the Resilience Plan to guide the implementation of these Strategic Actions

VDOT Resilience Definition

Transportation Resilience is the capability of a transportation project or strategy to anticipate, prepare for, respond to, or recover from significant multi hazard threats with minimum damage and disruption to the transportation network, while preserving and incorporating natural and built infrastructure that helps to mitigate these threats.

Incorporate resilience into existing business practices



VDOT Resilience Plan Layout: Objectives & Strategies

1. Data Driven Decisions

- Authoritative Datasets
- Data and Research Gaps

2. Stakeholder Engagement

- Coordination with Federal, State, MPO, Local Initiatives

3. Identify Vulnerable Infrastructure

- Visualization Tool (Asset and Network Vulnerability and Risk Assessment)
- Inform focus areas, projects

4. Resilience Practices

- Adaptive Design Criteria (Hydraulics, Materials, Structure and Bridge)
- Other Physical Enhancement Practices
- Natural and Nature-based Solutions
- Operational, Maintenance, and Emergency Management Practices
- Administrative and Policy Practices

5. Feasibility and Cost Effectiveness Analyses

- Benefit Cost Analysis (BCA) Tool

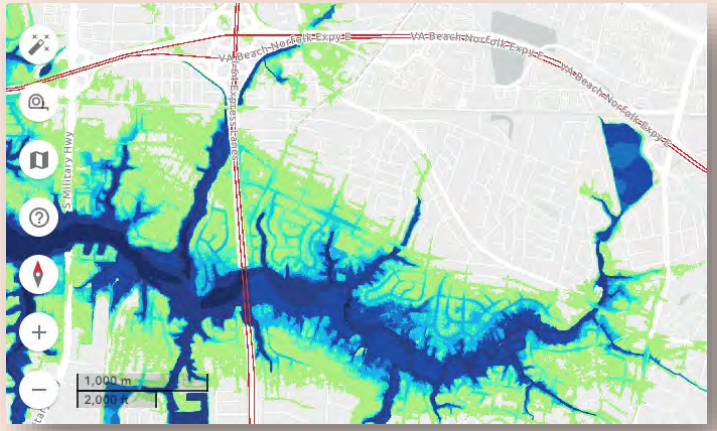
6. Funding Opportunities

- PROTECT
- Other Funding Opportunities

VDOT Resilience Tools

1 Identify Highly Vulnerable Infrastructure

Identify if project or activity includes vulnerable assets



Visualization Tool

2 Options to Address/Mitigate Vulnerability

Identify design/construction, traffic operations, maintenance, and emergency management practices

Construction	Adaptive Design Criteria (Structures & Bridge, Hydraulics, Materials)
	Natural and Nature Based Solutions
	Other Physical Enhancement Practices
Traffic Operations	Power Redundancy
	Transportation Network Redundancy
	Equipment Resilient Design/Installation
Maintenance	Pre-Storm Best Practices
	Upsizing vs. In-Kind Replacement
OSSEM	Flood Forecasting during weather events
	Enhancement to Processes for Identifying Mitigation Opportunities

Resilience Practices Toolbox

3 Evaluate Cost Effectiveness of Resilience Options

Evaluate if benefits of reduced replacement, maintenance, closure, and traffic outweigh costs

	STEP 1: What is at-risk?			
1.1	**Hazard you are looking to mitigate**	Coastal Flooding		
	Hazard Exposure Score (Visualization Tool)	2.31-2.45		
1.2	**Size of the relevant at-risk asset(s)**	*Road:*	20	MI
	e.g., 20 lane miles of road are at-risk due to the	*Bridge:*	0	SQF
	selected hazard at this site	*Culvert:*	0	LF
	STEP 2: What resilience practice(s) are you proposing to mitigate this risk?			
2.1	**Primary resilience practice (RP 1)**	Raise Roadway (by 2 feet)		
2.2	**Details of RP 1**	*Design Size:*	1000	CYD
		Unit Cost:	$922.50	*pe*
		Cost of RP 1:	$922,500.00	

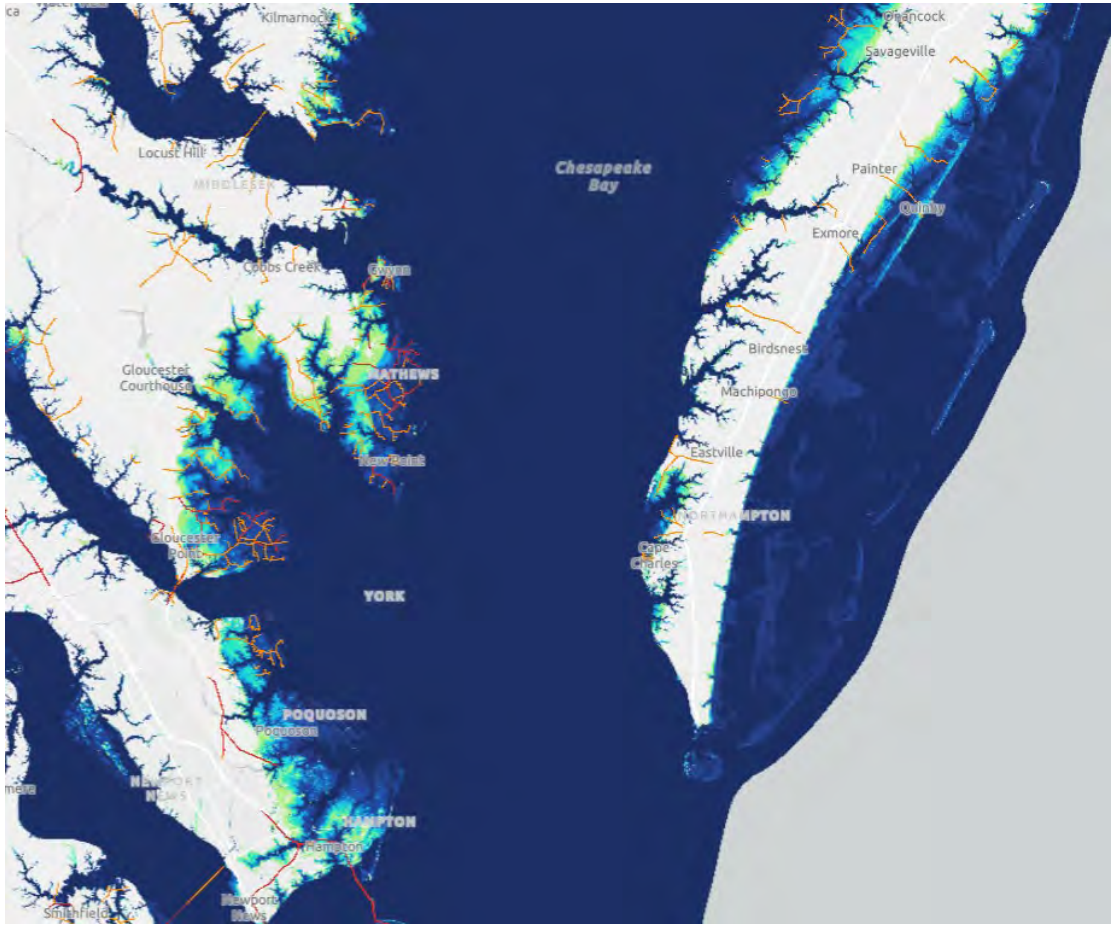
Benefit Cost Analysis Tool

**Tools are in development and have not yet been released*

1 VDOT Identification of Highly Vulnerable Infrastructure

Goal: Identify assets statewide that are vulnerable to coastal flooding, inland flooding, and landslides

- Focused on High Vulnerability assets
- Vulnerability scoring:
  - **Exposure** – Asset directly subject to natural hazard(s). E.g., coastal flooding
  - **Sensitivity** – How asset is affected by natural hazard(s). E.g., pavement condition
  - **Adaptive Capacity/Importance** – Ability to mitigate disruption to the network from natural hazard(s). E.g., Average Annual Daily Traffic



1 VDOT Identification of Highly Vulnerable Infrastructure

The Vulnerabilty Tool is a model

- Projects must be further evaluated for site specific conditions – e.g. elevation, slope data
- If the asset is confirmed to be vulnerable, further evaluation will be warranted

2 VDOT Resilience Practices Toolbox

Goal: Provide a suite of vetted resilience practices for potential inclusion in projects to mitigate for coastal flooding, inland flooding, and landslides

Practice	Primary Division(s)	Resilience Purpose/Developed Tools
Adaptive Design Criteria	Structures & Bridge (S&B)	Structure and Bridge Chapter 33 (2020): Enhance scour protection, increase superstructure elevation, include corrosion resistant materials
	Location & Design (L&D)	Drainage Manual Chapter 18 (Draft): Enhance hydraulic design to incorporate increase in precipitation and sea level rise
	Materials	Material Memorandum of Instruction – Geotechnical, Pavement (Draft): Enhanced pavement and geotechnical design to incorporate increase saturation due to increased precipitation and flooding
Other Physical Enhancement Practices	Environmental/ L&D	VDOT OPEP Reference Materials Report (Draft) : Coastal (Breakwaters, Groins), Riverine (Riverine Vanes, Flood Diversion Berms), and Slope and Bank Stability
Natural and Nature-Based Solutions	Environmental	Living Shoreline NNBS Pilot Simonson Rd. NNBS Reference Manual (Draft) NNBS Prioritization Tool (help select among sites) NNBS BCA Tool (help select among NNBS scenarios)

3 VDOT Benefit Cost Analysis Tool

Goal: Compare benefit cost ratios (BCRs) of proposed resilience practices to mitigate for hazard vulnerabilities within a given project

- Use the BCR to inform selection of cost beneficial resilience alternative
- BCR estimates incremental benefits and incremental costs of adding resilience to a project

$$\text{Benefit/Cost Ratio} = \frac{\Delta A + \Delta B + \Delta C + \Delta D + \Delta E}{\Delta \$}$$

Benefits:

Δ A = Annual Replacement Benefit

Δ B = Annual Routine Maintenance Benefit

Δ C = Annual Emergency Maintenance/Closure Benefit

Δ D = Annual Traffic Benefit

Δ E = Annual Ecosystem Services Benefit (only for NBS)

Costs:

Δ\$ = Projected Annualized Cost of Resilience (includes construction and O&M)

Next Steps: Estimating the Cost of Resilience

- SYIP is being screened against Highly Vulnerable Visualization Tool for projects (in final design/awarded/in construction) which include assets that are highly vulnerable to coastal flooding, inland flooding, and landslides. Initial screening resulted in 71 projects.
- Projects are being evaluated to estimate the total incremental cost of incorporating resilience practices.
- Come back to the Board in October to discuss results

VDOT

Virginia Department of Transportation

VDOT

Virginia Department of Transportation

COMMONWEALTH TRANSPORTATION BOARD

Traffic operations services

TRAFFIC OPERATIONS SERVICES

Program VISTA

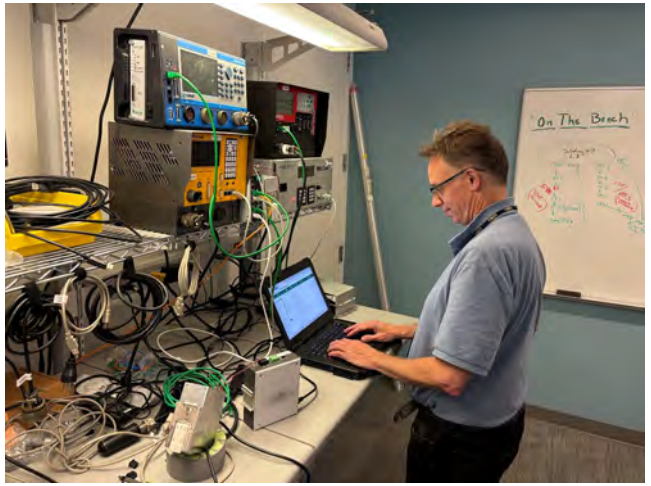
Virginia's Integrated Solution for Traffic-Operations Applications

Robert Alexander
Richmond District Traffic Operations Director
Program VISTA Lead/Champion

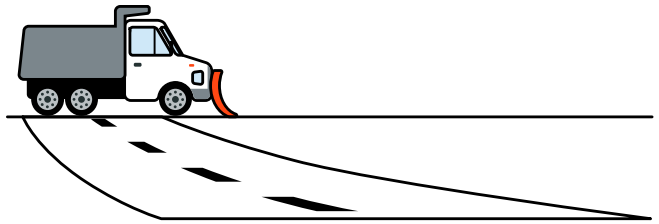
September 15, 2026

Overview

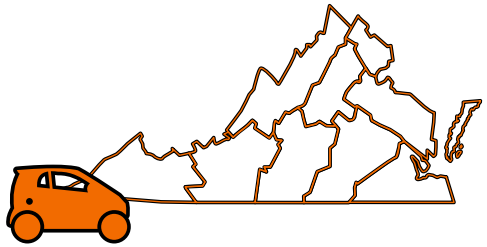
- VDOT is a national leader in Traffic Operations
- Traffic Operations relies heavily on technology
- VDOT is well-positioned to evolve our program
- **Today we will provide a brief on VDOT's plan moving forward and an upcoming procurement.**
- **No Board action required at this time**



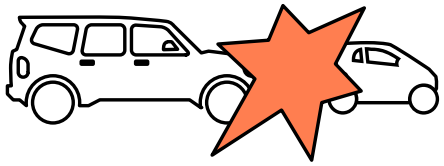
Traffic Operations is a Core VDOT Function



VDOT managed lane miles (2025)
130,527 miles



Vehicle Miles Traveled (2025)
245.3 million/day

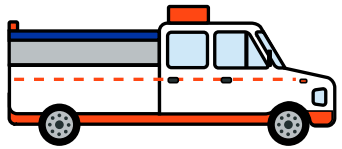


Number of Incidents
18,000/month

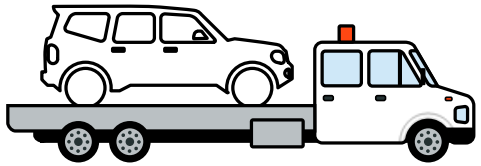
- **Traffic volumes continue to increase, infrastructure is aging, capacity growth is limited - our processes and support systems must evolve**
- **“Growing” capacity with better operations where we can is more cost-effective than adding physical lanes.**
- **VDOT is pursuing an innovative path-forward**
  - *A nimble procurement approach, with faster adoption of proven solutions*

Traffic Operations – Infrastructure and Services Overview

Traffic Operations Support Centers



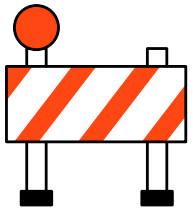
Safety Service Patrol



Towing and Recovery Program

Detour Management

Statewide Emergency Operations Situation Room



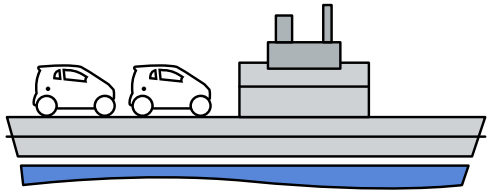
Work Zone Management Solutions

Corridor & Arterial Traffic Management Service

Customer Support Center

Winter Weather and Emergency Services

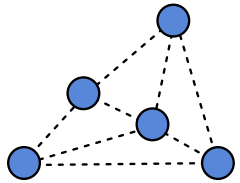
Traffic Safety Services



Ferry Management Services

Traffic Operations – Devices

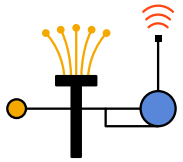
3,200 Signals



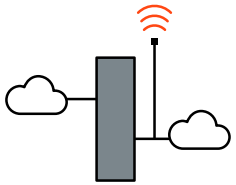
5 Traffic Operations Centers 24x7x365

1,475 Closed Circuit TV Cameras

786 Message Signs



6,800 Miles of Fiber/Communication Networks



400+ Servers
400+ Laptops

14,500+ Networked Devices and Growing…

Traffic Operations – Disparate Systems

Advanced Traffic Management System

Statewide Traffic Signal System

511 Traveler Information System

Video Distribution System

Tunnel Management System

Device Asset Management System

Integration is currently limited

What is driving this effort and the need for change?

- **Our current systems:**
  - *Developed as 'stand-alone' over past 12+ years*
  - *Data exchange/interoperability between systems is limited*
  - *Foundational technologies are evolving rapidly*
  - *Major contracts reaching end-of-life; must re-procure*
  - *Stand-alone systems have served us well, but are not sustainable*

- **A new approach is needed**

Traffic Operations - Program VISTA

Project VISTA Video

Traffic Operations Opportunities

- **A confluence of opportunities**
  - Safety and mobility continue to increase in importance in a future with less growth in highway capacity
  - Traffic Operations is rapidly evolving with significant influences from data analytics, AI and technology innovations, and more tech savvy customers
  - Cybersecurity is an ever-present challenge
  - Key contracts are coming to an end

- **Procurement, Governance, and Delivery Approach**
  - Collaboration between VDOT, VITA, and the Industry

Program VISTA Goals and Outcomes

- **Improve traffic operations**
  - Make Virginia's transportation system safer and more reliable
- **Enhance customer experience**
  - Improve real-time situational awareness
- **Faster, more informed, AI supported decision-making**
  - Re-imagined data management strategies
- **Leverage innovation**
  - Utilize best-in-breed, proven solutions and create a framework that can grow and evolve with technology
- **Implement nimble improvement processes**
  - Acquire systems, tools, and services using just-in-time processes
- **Cybersecurity enables resilient systems and services**
  - Systems will be secure by design - not an add-on

Traffic Operations – Disparate Systems

Advanced Traffic Management System

Statewide Traffic Signal System

511 Traveler Information System

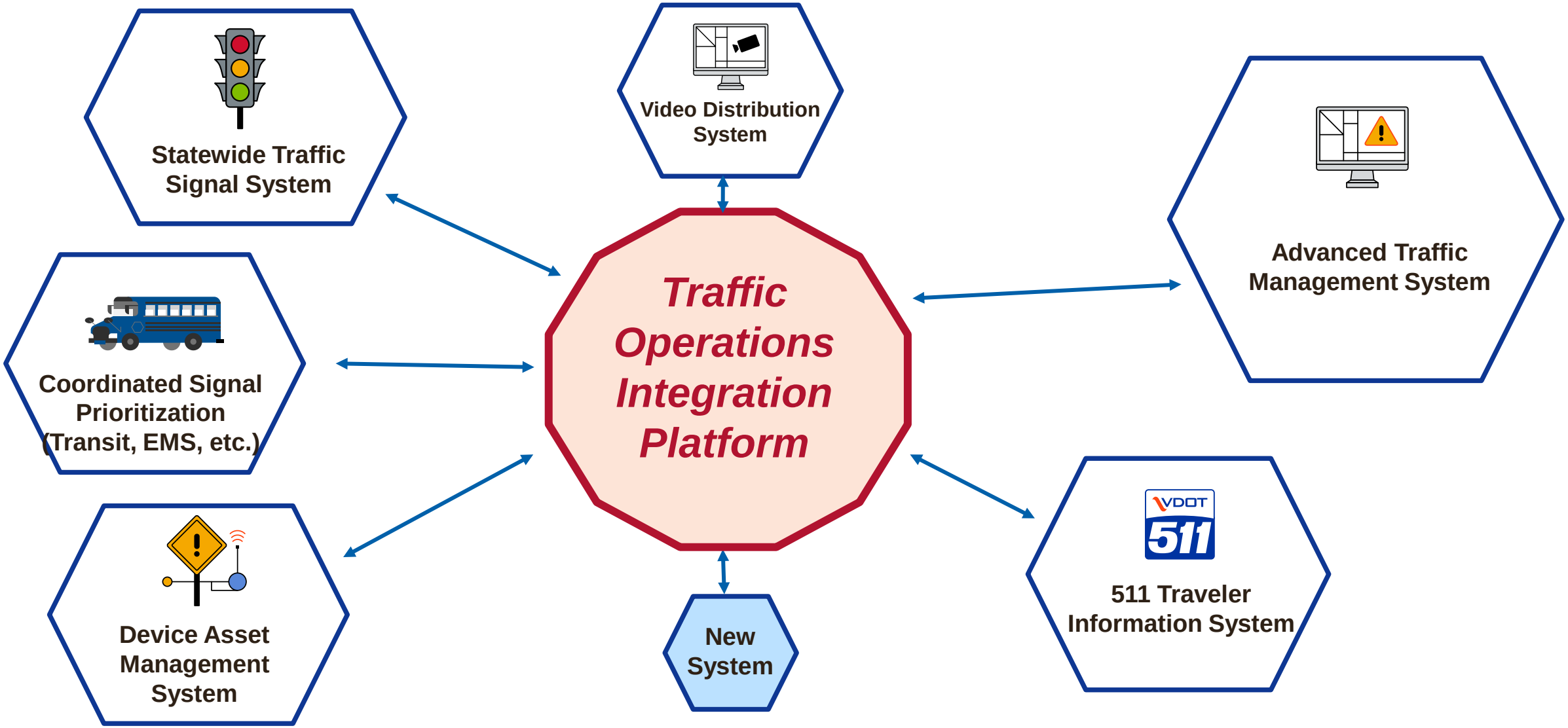
Video Distribution System

Tunnel Management System

Device Asset Management System

Integration is currently limited

Program VISTA Federated Model (Illustrative)



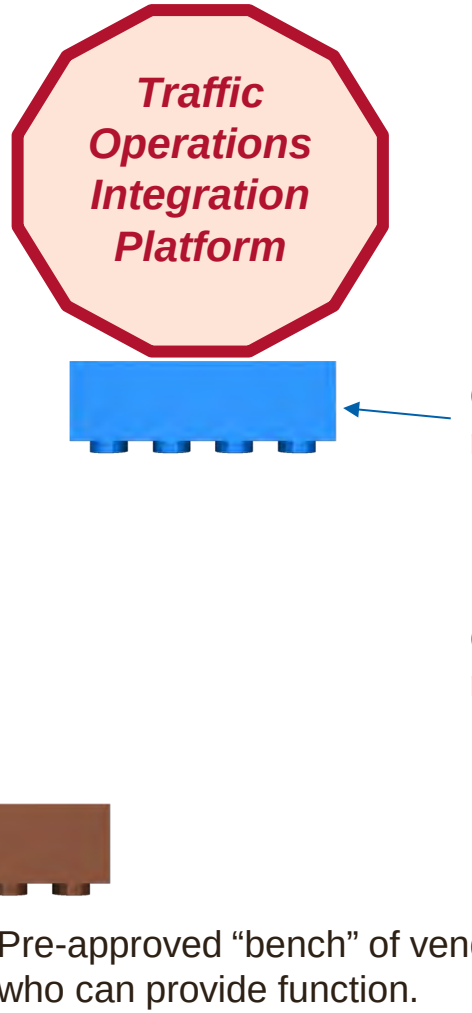
What is Program VISTA?

Virginia's Integrated Solution for Traffic-Operations Applications

- More than software, data, fiber-optic cable and IT infrastructure
- A programmatic approach to managing a system of interconnected systems
- Built for continuing evaluation and refinement of our tools and services
- Allows us to influence industry advancements

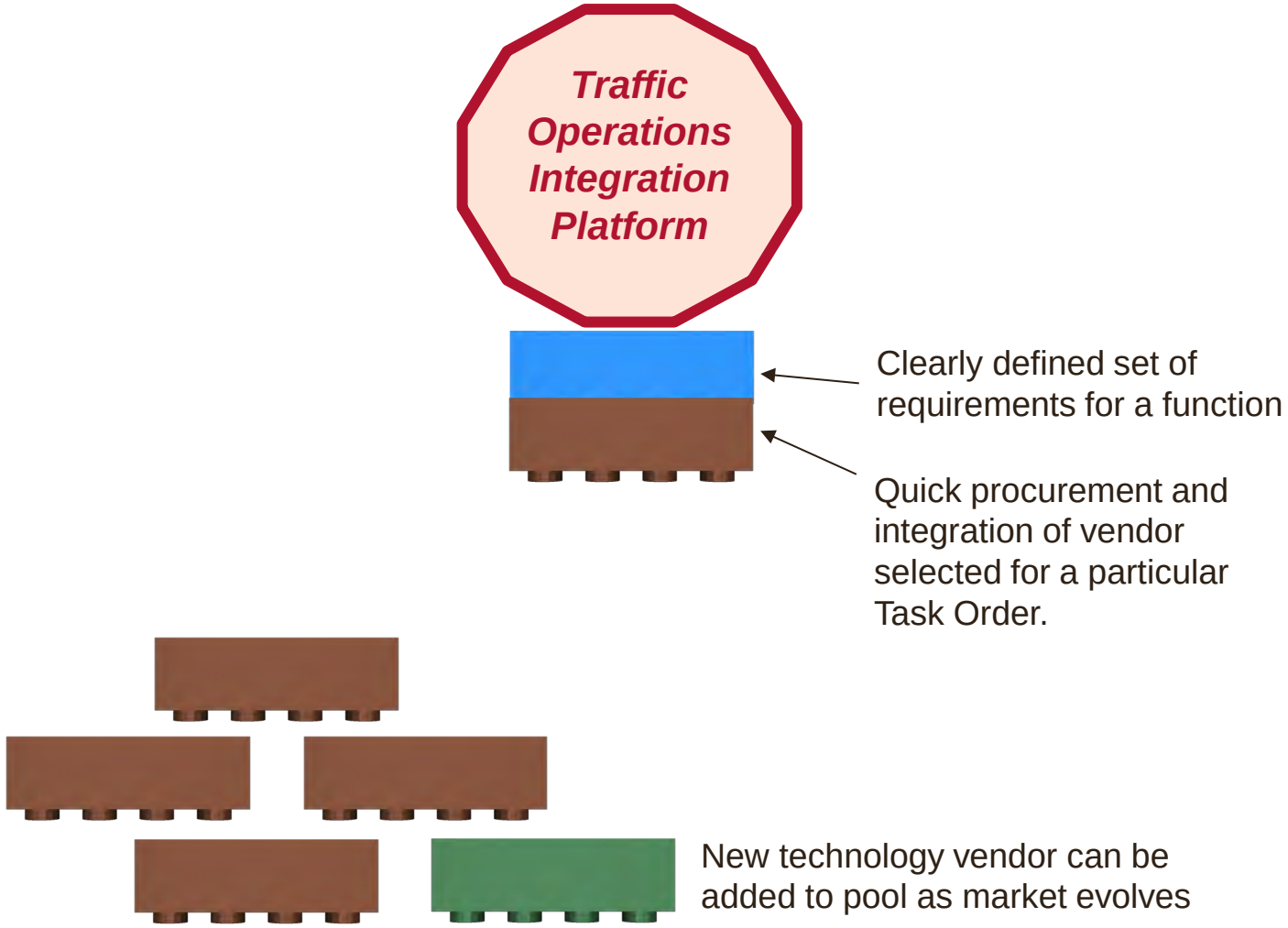
Program VISTA – Procurement Strategy

- **Establish a pool of service partners**
  - Engage both transportation expertise as well as traditional information technology disciplines
  - Adapt to changing market conditions
  - Drive innovation in processes, not just in systems and technology



Program VISTA – Procurement Strategy

- **Establish a pool of service partners**
  - Engage both transportation expertise as well as traditional information technology disciplines
  - Adapt to changing market conditions
  - Drive innovation in processes, not just in systems and technology



Program VISTA – Planning Level Cost Estimation

- **Current systems O&M costs are ~$12M annually**
- **Projected future annual O&M cost ~$18M to $20M**
  - Annual increase includes data management, data integration services, statewide fiber network growth, new system features, etc.
- **Estimated implementation costs ~$60M (spread over 3 years)**

Program VISTA – Schedule of Activities

- **Planning Phase: June 2025 – Fall 2026**
- **Procurement Phase: Winter 2026 – Fall 2027**
- **Implementation and Transition Phase: Continuous upon contract award**
- **Operations, Maintenance, Enhancement Phase: 10+ years**

VDOT

Virginia Department of Transportation

VDOT

Virginia Department of Transportation

2026 Maintenance and Operations Comprehensive Review Special Structures

2026 MAINTENANCE AND OPERATIONS COMPREHENSIVE REVIEW SPECIAL STRUCTURES

Stephen C. Brich, P.E., Commissioner of Highways

September 15, 2026

BLUF: 2026 Maintenance and Operations Comprehensive Review – Special Structures

To Date:

April 2026: Overview of the 2019 Comprehensive Review

1. **Pavements**
2. **Bridges**
3. **Investments (Maintenance and Operations Program/State of Good Repair Program)**

May 2026: Continued the 2019 Overview of the Comprehensive Review

1. **Routine Maintenance**
2. **Emergencies**
3. **Explained the tensions experienced since 2019**

July 2026: Re-baselining

1. **Pavements and Bridges**
2. **Scenarios modeled**

Today:

September 2026:

1. **Overview of Special Structures Program**
2. **No CTB Action required today**
   a) October 2026: 50-Year Long-Term Plan handout

Overview

Special Structures Program Timeline

Special Structures List Introduced to the CTB (2018)

Focus on the need for funding proactive work on these critical structures – movables, tunnels and fixed-span

CTB required to report to General Assembly on large/unique structures (2018)

2018 Appropriations Act Item 450,H. – report required

December 4, 2018: CTB presentation on overall condition and funding needed.

December 5, 2018: CTB approved report and required additional study by December 2019

General Assembly created Special Structures Fund and required CTB with assistance of VDOT to review Maintenance and Operations (2019)

2019 Acts of Assembly:

- Created Special Structures Fund (no funding)
- Required review of pavements, bridges, Special Structures and routine maintenance.
- VDOT developed an **investment strategy for the long-term sustainable performance of assets**

December 2019:
CTB approved report, pavement and bridge targets

General Assembly created the Special Structures Program and dedicated funding for the Special Structure Fund (2020)

2020 Acts of Assembly:

- Dedicated state funding to the Special Structures Fund ($80M indexed)
- Created the Special Structures Program which funds the maintenance, rehabilitation and replacement of Special Structures

Special Structures Program Underway (2022 – today)

FY 2022 – Special Structures Fund received funding

September 2021 – Health Index Presented

October 2021 – CTB approved 50-Year Long Term Plan

December 2022 – CTB approved 50-Year Long-Term Plan

December 2024 – CTB approved 50-Year Long-term Plan

2025 Acts of General Assembly – Chapter 327 – Special Structure Revenue Bonds

Special Structures Program Every two years (even) (Dec 2026)

October 2026:

- CTB will receive the draft 50-Year Long-Term Plan handout

December 2026:

- CTB approval requested

How Many Special Structures Does Virginia Have?

Virginia has over 21,000 bridges and large culverts

21 of these 21,000 have been identified as “Special Structures”

- 8 Movable Bridges (bascule, swing & lift)
- 8 Tunnels (mountain, harbor, urban & runway)
- 5 Fixed-Span Bridges (segmental/post-tensioned, cable-stayed, & long truss bridges)

Median Age of Special Structures – 48 years
Youngest Structure – 10 years (Midtown Tunnel WBL)
Oldest Structure – 88 years (Gwynn’s Island swing bridge and opens the most frequently ~ 2,600 times each year)

Special Structures – Inventory (21 Facilities)

Defined By:

- Risk/Complexity
- Maintenance Cost
- Importance
  Long Detours, High Traffic, Economic Significance (Shipping and Vehicular), Access to Vital Facilities (Military and Ports)

BRISTOL

1. Big Walker Mountain Tunnel
2. East River Mountain Tunnels
3. 460 Connector Bridge

SALEM

1. Eltham Bridge
2. Gwynn's Island Bridge
3. Robert O. Norris Bridge

RICHMOND

1. SMART Road Bridge

HAMPTON ROADS

1. Benjamin Harrison Bridge
2. Varina-Enon Bridge

NOVA

1. Rosslyn Tunnel

FREDERICKSBURG

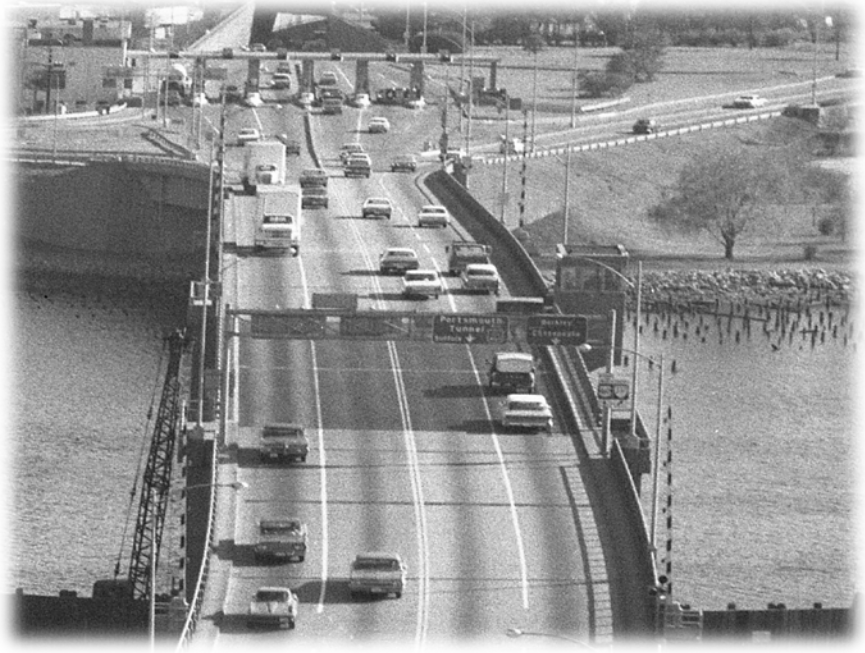
1. Hampton Roads Bridge-Tunnel
2. Monitor-Merrimac Memorial Bridge Tunnel
3. Berkley Bridge
4. Chincoteague Bridge
5. George P. Coleman Bridge
6. High Rise Bridge
7. James River Bridge
8. I-564 Tunnel

Note: Elizabeth River Midtown Tunnel, Elizabeth River Downtown Tunnel and Route 895 Pocahontas Parkway are currently operated and maintained by PPP concessionaires.

Special Structures – Original Build

George P. Coleman Memorial Bridge

Berkley Bridge



Hampton Roads Bridge-Tunnel

Previous
Tolled Facilities Examples

Special Structures - Tunnels

Mountain Tunnels

Big Walker Mountain Tunnel

East River Mountain Tunnel

Water Tunnels

Hampton Roads Bridge-Tunnel

Monitor-Merrimac Memorial Bridge-Tunnel

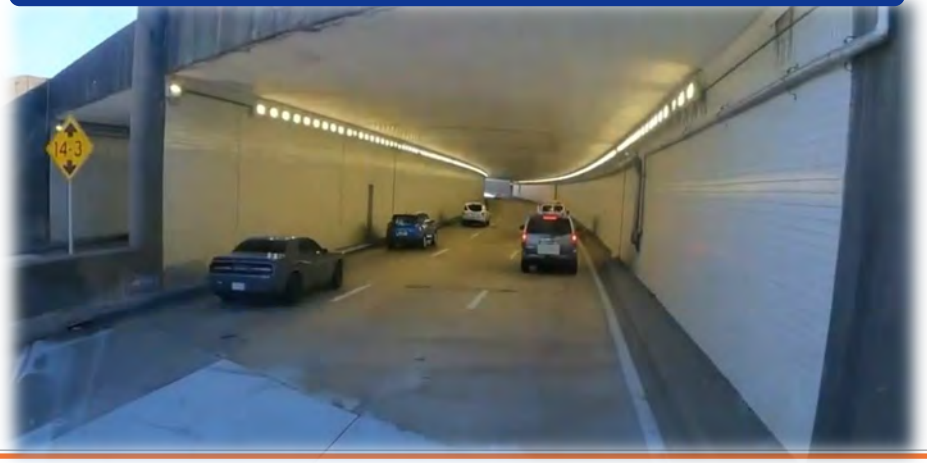
Elizabeth River Tunnel (Midtown)

Elizabeth River Tunnel (Downtown)

Rosslyn Tunnel

Runway Tunnels

I-564 Runway Tunnel



Special Structures - Movable Bridges

Benjamin Harrison Memorial Bridge

John B. Whealton Memorial Causeway Bridge (Chincoteague)

High Rise Bridge

Berkeley Bridge

George P. Coleman Memorial Bridge

James River Bridge

Eltham Bridge

Gwynn's Island Bridge

Special Structures – Fixed Span Structures

Grassy Creek Bridge
(460 Connector)

Gordon C. Willis
SMART Road Bridge

Varina-Enon Bridge

Robert O. Norris Bridge

Investment

Special Structures Program
50-Year Long-Term Plan

- § 33.2-374 requires the CTB approve the Special Structures Long-Term Plan biennially in even years
- The CTB approved the original plan in October 2021 and updated plans in December 2022 and December 2024
- The Special Structures 50-Year Long-Term Plan includes
  - The Special Structures Fund
  - The Maintenance and Operations Program
- The Special Structure Fund includes
  - Maintenance (e.g., Invert Slab repair)
  - Rehabilitation (e.g., Foundation work)
  - Replacement (e.g., Norris Bridge replacement) of facilities components and/or facilities
- VDOT's Maintenance and Operations Program includes
  - Daily operations (e.g., staff labor)
  - Routine maintenance (e.g., tunnel washing)
- The 50-Year Long-Term Plan includes lifecycle replacement of facility components.
  - Example, general replacement required every 10 years will be reflected in the plan every 10 years

Special Structures Investment – Summary

- **Current funding source is reliable**
- **However, not sufficient to timely allocate funding for replacement efforts and very large capital improvements**
- **Advancing replacements saves on future inflationary costs**
- **2025 Session of the General Assembly enacted Chapter 327: Commonwealth Transportation Special Structures Program Revenue Bond**
  - **Allows the Governor, CTB and the Treasury Board to issue debt Special Structures**
  - **$1B not to exceed $200M per year**

Funding Source	Uses	Estimated Annual 2019 Budget	Budget when Special Structures Funded	Current Budget
		$ in millions		
Maintenance and Operations Program	• Daily Operations • Routine Maintenance	$50	$50	$78
Special Structures Program (funded at $80M and indexed annually)	• Maintenance • Rehabilitation • Replacement	$0	$60	$92.3

How Is The Investment Being Used

Bristol

Big Walker Mountain Tunnel/East River Mountain Tunnel - Bristol Fan Repair

BEFORE:

Fan housing components with significant pitting, corrosion, and rust holes

AFTER:

Fan housing components after sandblasting, steel repairs, and recoat

Big Walker Mountain Tunnel/East River Mountain Tunnel - Bristol Fan Repair

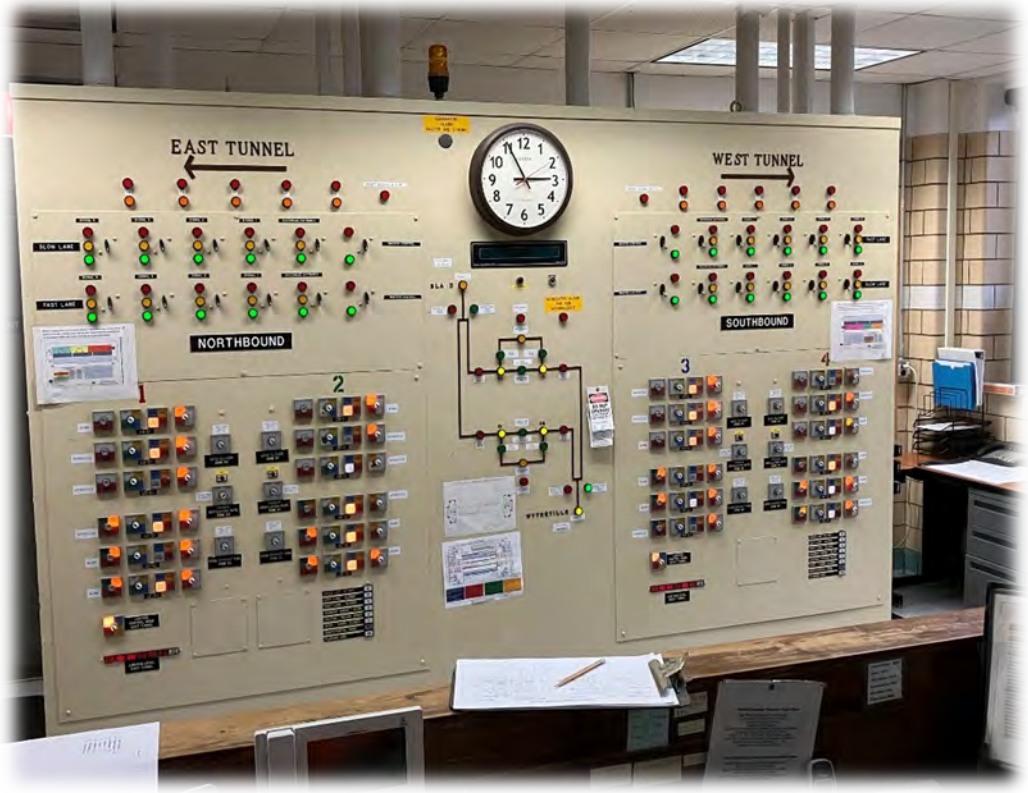
BEFORE:
Significant corrosion on fan impeller

AFTER:
Fan impeller after sandblasting, steel repairs, and recoat

Big Walker Mountain Tunnel - Bristol
Supervisory Control and Data Acquisition (Control Board)

BEFORE:
1970's analog control board (original)

AFTER:
New digital control screens

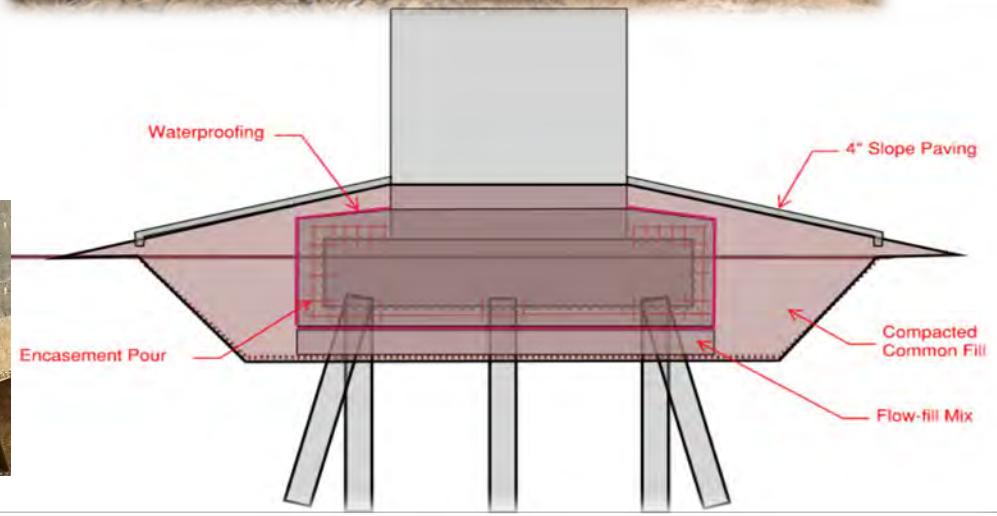


Richmond

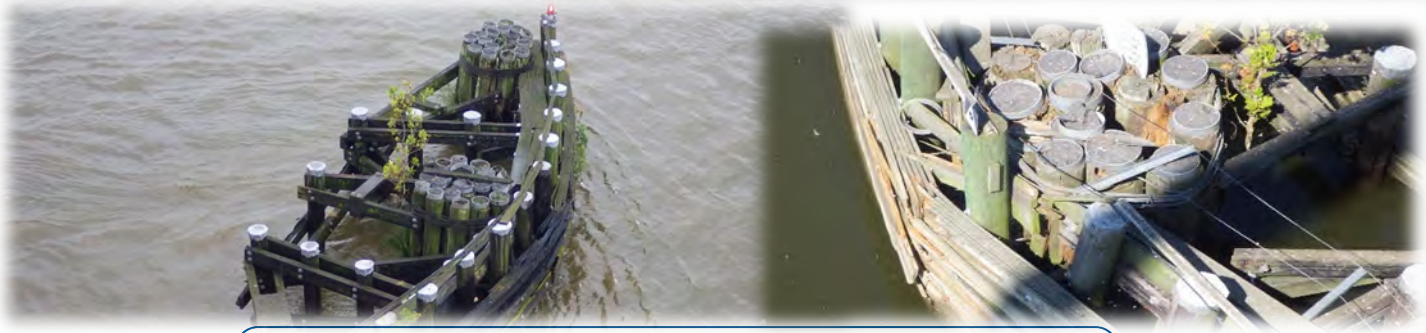
Varina-Enon Bridge - Richmond
Footing Crack Monitoring Gauges & North Approach Footing ASR (alkali–silica reaction) UNDERWAY

Damaged Foundation

Excavation at Pier 24



Benjamin Harrison Bridge - Richmond
Fender System



BEFORE:
Old dolphins and fender (timber piles/wood)

AFTER:
New

Benjamin Harrison Bridge - Richmond
Dolphin Pier Protection Project - UNDERWAY

Benjamin Harrison Bridge - Richmond
Work Completed - Deferred Replacement of Facility for ~ 75 Years

Old Generator

New Generator Facility

New Span Lock

Wire Rope Replacement

Aerial Cable

Hampton Roads

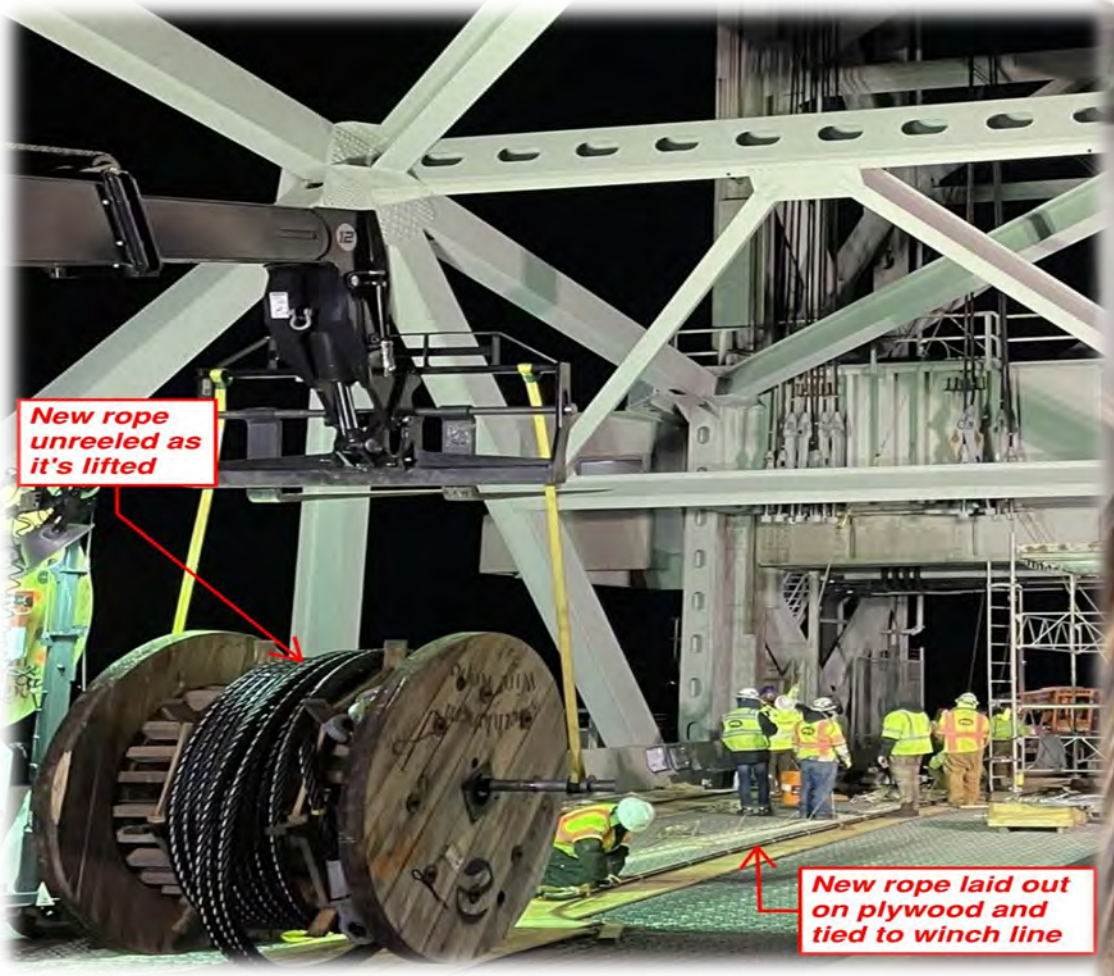
James River Bridge – Hampton Roads Approaches – Damaged Girders - BEFORE

James River Bridge – Hampton Roads Approaches – Damaged Girders - UNDERWAY

James River Bridge – Hampton Roads Approaches – Damaged Girders - AFTER

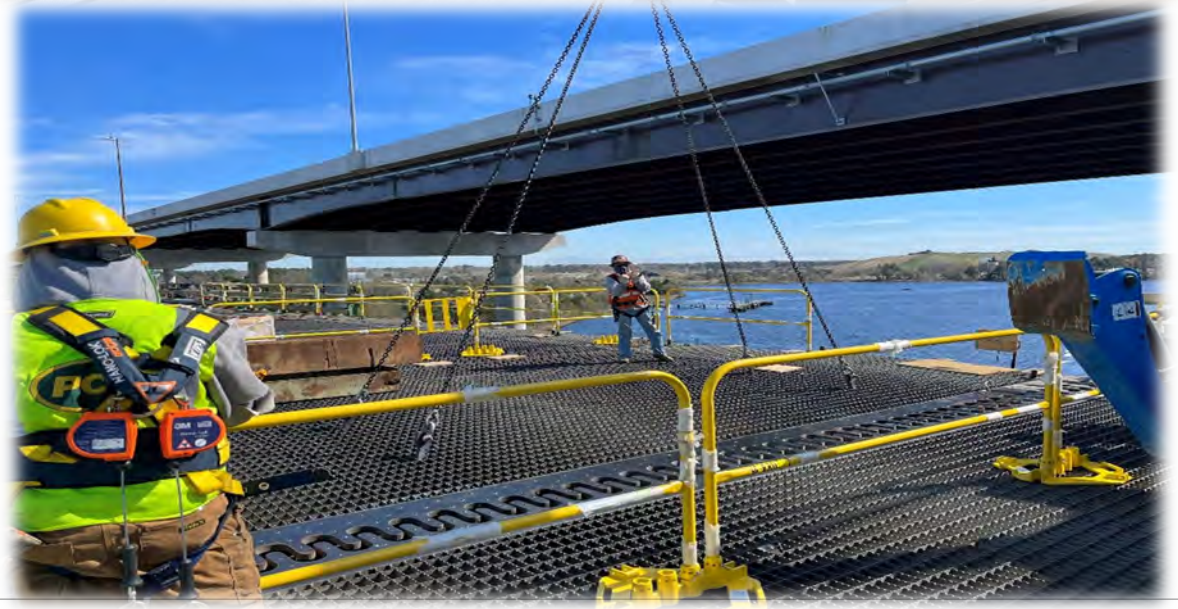
James River Bridge – Hampton Roads
Lifting Cable Replacement - BEFORE

James River Bridge – Hampton Roads
Lifting Cable Replacement – UNDERWAY AND AFTER



High Rise Bridge – Hampton Roads
Emergency Generator – UNDERWAY AND AFTER

High Rise Bridge – Hampton Roads
Grid Deck Replacement



Hampton Roads Bridge Tunnel – Hampton Roads Invert Slab Work

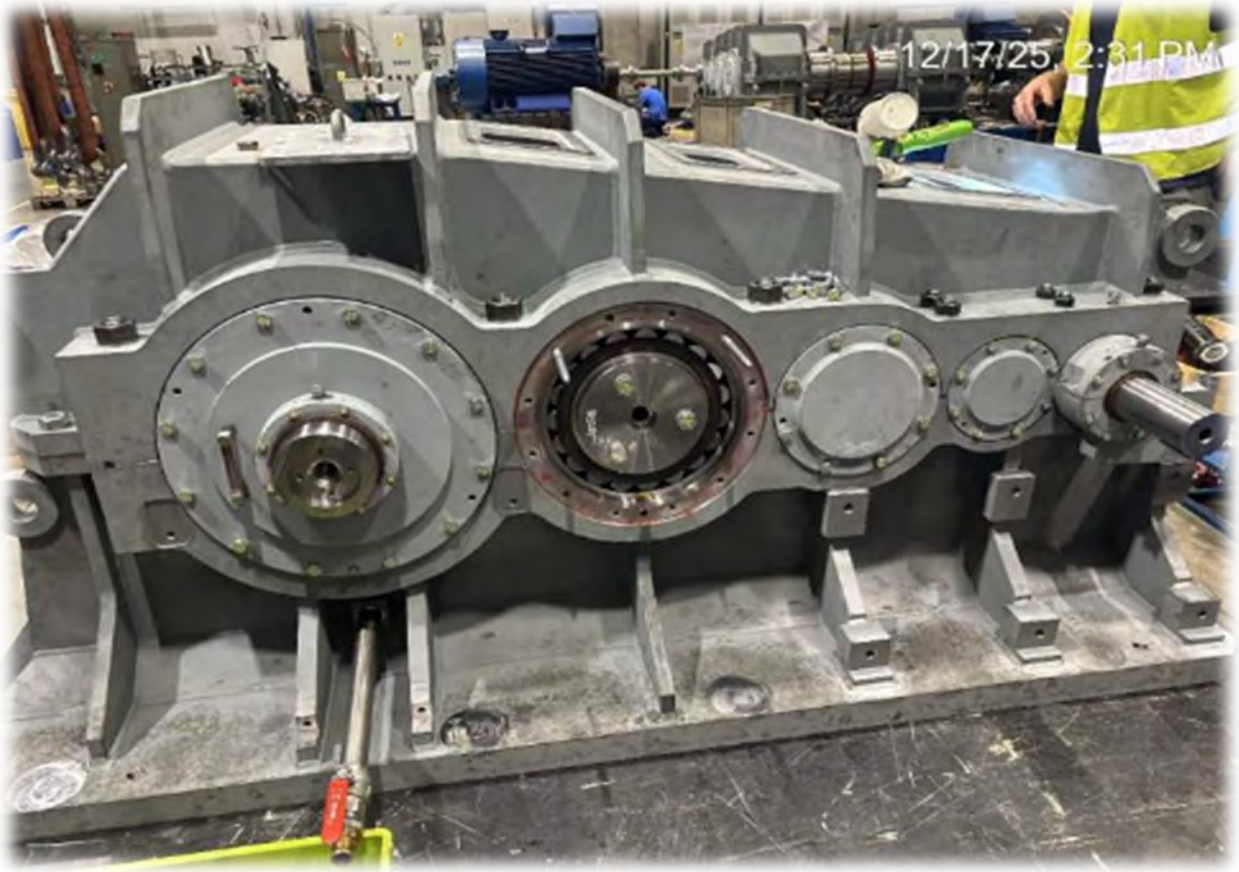
BEFORE:
Spalled Concrete and exposed rebar

AFTER:
Concrete and rebar reestablished

Berkley Bridge – Hampton Roads Mechanical and Electrical Rehabilitation

Berkley Bridge – Hampton Roads
Mechanical and Electrical Rehabilitation

Hydraulic Cylinders for Temporary Operating System



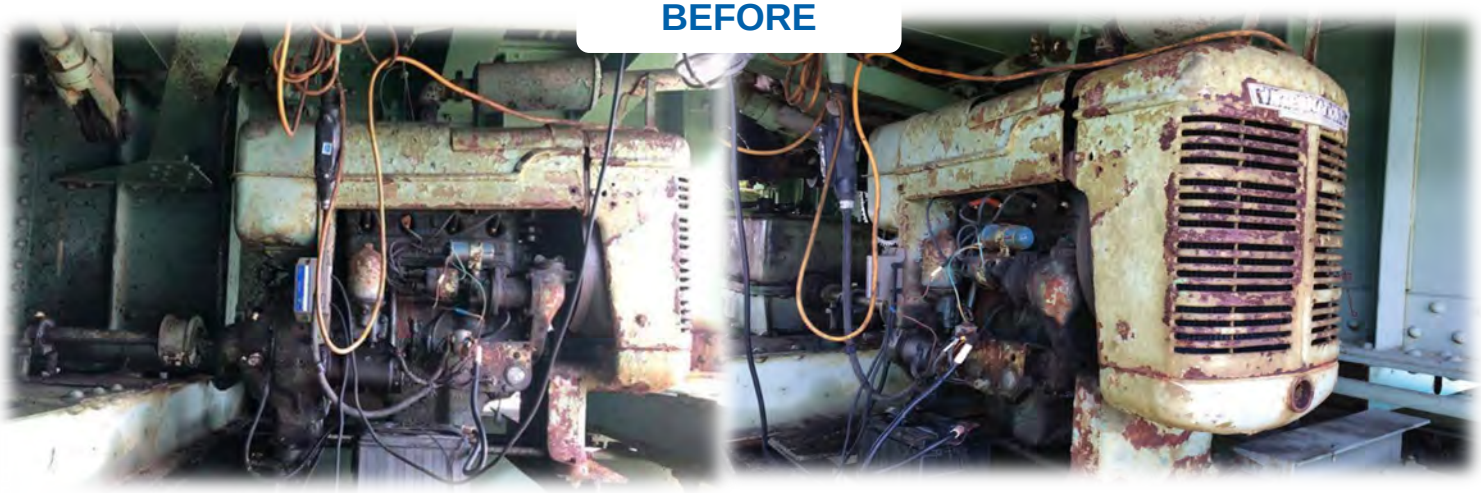
Secondary Gear Reducer

Fredericksburg

Gwynn's Island Movable Bridge - Fredericksburg

Mechanical and Electrical Work – Deferred Replacement of Facility for ~ 50 Years

BEFORE



AFTER

Northern Virginia

Rosslyn Tunnel - Northern Virginia Rehabilitation - BEFORE

Corroded Steel Framing and Hangers

Cracked Ceiling Panel

Corroded Steel Sheeting in the Underside of Ceiling Panel

Wall Tile Conditions Before Rehabilitation

Rosslyn Tunnel – Northern Virginia Rehabilitation - AFTER

Ceiling Removed, Beams Fireproofed, Wall Tiles Repaired & New Lighting Installed

Robert O. Norris Bridge – Rt 3 over Rappahannock River Replacement – Est $724M

Robert Opie Norris Jr. 11/4/1880 – 6/21/1960

- Member Virginia House of Delegates & Senate
- Bridge Built in 1957 and named in his honor
- Bridge length 9,989 ft with 684 ft main span
- “Scary to drive cross” and 90-mile detour
- 7,560 ADT & 300 ADDT
- Fracture critical truss & pin/hanger connections

- AD date advanced from 2036 to 2028
- Construction estimate ~$724M (2028 dollars)
- New design will have “wider travel lanes, fully functional shoulders and significantly higher guardrails”

Performance

Special Structures – Long Term Sustainability

- **Developed prioritization process to assess risk of individual work category activities**

- **Long-Term Plan**
  - Periodic Updates

- **Created Health Indices for tunnels and movable bridges based on safety and risk**
  - No federal performance requirements
  - No other DOTs have performance metrics
  - Reviewed USACE risk elements
  - First in the nation

- **Health Index**
  - Current Condition
  - Reliability
  - Remaining service life

Special Structures – Health Index

- **Measures the Overall Health from 0 to 100**
  - Assesses individual structures and systems within a structure

- **Data Collection and Inspection**
  - Each element on each structure evaluated
  - Assigned “condition states”, which can vary from Good to Severe
  - Inspected every 2 years

- **Health Index Calculated by Weighting Elements by Safety & Risk**
  - Each element identified as Key, Major or Minor importance
  - Each element classified as High, Medium or Low risk
  - Weighting factors vary from 10 to 1

Special Structures - Movable Bridge Health Index

Movable Bridge Example
(3 Systems, 66 Elements & *18 Critical Elements*)

Electrical (28/7)

- ***Span Motors & Drives***
- Emergency Motors & Drives
- Electric Clutches
- Lock Motors/Actuators
- Brakes
- ***Aerial System***
- ***Riser Cables/Conductors***
- ***Conductors, Conduit & Supports***
- Pull & Junction Boxes
- ***Operator/Control/Monitor Systems***
- Limit/Proximity/Pressure Switches
- ***Skew/Position Monitor System***
- Programmable Logic Controllers
- ***Control Cabinets & Switchgear***
- Disconnect Switches
- Grounding
- Panelboards
- Transformers
- Generators
- Transfer Switches
- UPS Systems
- Lightning Protection
- Surge Protection Devices
- Navigational System
- Traffic Gates
- Traffic Signals & Signs
- Operator House
- Generator Room/Building/Pad

Structural (16/4)

- Live Load Shoes
- Operating Machinery Supports
- Span Lock Assemblies
- ***Primary Movable Support Members***
- ***Lift Span Towers***
- ***Wire Rope Anchorages***
- ***Counterwght & Guide Rail Supports***
- Aux Counterwght & Guide Rail Supports
- Span Guide Rail Supports
- Fenders/Pier/Substructure Protection
- Clearance Boards/Signs
- Operator House
- Generator Room/Building/Pad
- Counterwght Hangers
- Access System
- Traffic Gates

Mechanical (22/7)

- Fixed/Expansion Live Load Shoes
- Span Lock Assemblies
- ***Primary Movable Support Members***
- ***Lift Span Wire Rope & Anchorages***
- Span Balance
- Counterwght Guides & Guide Rails
- Aux Counterwght & Guide Rails
- Lift Span Guide Assemblies & Guide Rails
- Centering Devices
- Span Drive Electric Motors
- ***Main Drive Enclosed Gear Boxes***
- Brakes
- ***Span Drive Couplings***
- Span Drive Bearings
- ***Span Drive Shafts***
- ***Span Drive Open Gearing***
- Emergency Drive System
- Buffers
- Generators
- ***Instrumentation Drives***
- Traffic Gates
- Operator House

Movable Bridge Health Index: Changes 2025 - 2026

2025 Summary of Health Index for each System or Component on Each Movable Bridge

Bridge	Movable Span Systems				Approach (Fixed) Span Components			
	Electrical	Mechanical	Structural	Overall HI Movable Bridge	Deck	Super-structure	Sub-structure	Overall HI Approach Spans
Benjamin Harrison								
Berkley EBL								
Berkley WBL								
Chincoteague								
Coleman								
Eltham								
Gwynn's Island								
High Rise EBL								
James River								

2025 Percentage & Number of Systems in Each Condition Category

Good	26%	(14)
Fair	59%	(32)
Poor	13%	(7)
Severe	2%	(1)

2026 Summary of Health Index for each System or Component on Each Movable Bridge

Bridge	Movable Span Systems				Approach (Fixed) Span Components			
	Electrical	Mechanical	Structural	Overall HI Movable Bridge	Deck	Super-structure	Sub-structure	Overall HI Approach Spans
Benjamin Harrison								
Berkley EBL								
Berkley WBL	↓							
Chincoteague								
Coleman								
Eltham								
Gwynn's Island	↑			↕				
High Rise EBL				↓				
James River				↓				

2026 Percentage & Number of Systems in Each Condition Category

Good	28%	(15)
Fair	57%	(31)
Poor	11% (6)	
Severe	4%	(2)

2 Improvements

- Fair to Good: **Gwynn's –** Electrical
- Fair to Good: **Gwynn's** - Overall (Movable)

3 Deteriorations

Fair to Poor: **High Rise EBL & James River** – Overall (Movable)
Poor to Severe: **Berkley WBL** - Electrical

Work is underway on:

- Benjamin Harrison
- Berkley EBL & WBL
- James River

Tunnel – Health Index

Tunnel Example
(7 Systems, 32 Elements & *19 Critical Elements*)

Civil
- Concrete Wear Surface
- Asphalt Wear Surface
- Concrete Traffic Barrier
- Steel Pedestrian Railing

Electrical
- ***Electrical Distribution System***
- ***Emergency Distribution System***
- Lighting Systems
- Lighting Fixtures
- ***Emergency Lighting Systems***

Fire/Life Safety/ Security
- ***Fire Detection System***
- ***Fire Protection System***
- ***Hazardous Smoke Removal***
- ***Emergency Communications***
- ***Operations & Security***

Mechanical
- ***Ventilation Systems***
- Fans
- ***Pumping System***
- Pumps
- ***Emergency Generator***
- ***Flood Gate***

Protective Coating
- Steel Corrosion

Signs
- Traffic Sign
- Lane Signal
- Lane Signal Fixture

Structural
- ***Precast Concrete Liner***
- ***Concrete Portal***
- ***Concrete Ceiling Slab***
- ***Steel Ceiling Girder***
- ***Hangers & Anchorages***
- ***Concrete Ceiling Panels***
- ***Concrete Invert Slab***
- Compression Joint Seal

For Health Index reporting:
- Sign elements are combined with Civil elements.
- Protective Coating elements are combined with Structural elements

Tunnel Health Index: Changes 2025 - 2026

2025 Summary of Health Index for Each System on Each Tunnel

Tunnel	Civil	Electrical	Fire/Life Safety/Security	Mechanical	Structural	Overall HI
Big Walker						
East River						
Hampton Roads Eastbound						
Hampton Roads Westbound						
Monitor Merrimac						
Rosslyn						
I-564						

2025 Percentage & Number of Systems in Each Condition Category

Good	28% (10)
Fair	63% (22)
Poor	9% (3)
Severe	0% (0)

2026 Summary of Health Index for Each System on Each Tunnel

Tunnel	Civil	Electrical	Fire/Life Safety/Security	Mechanical	Structural	Overall HI
Big Walker			↓			
East River						
Hampton Roads Eastbound						
Hampton Roads Westbound			↓			
Monitor Merrimac			↓	↓		
Rosslyn		↑		↓	↑	
I-564				↓		

2026 Percentage & Number of Systems in Each Condition Category

Good	31% (11)
Fair	46% (16)
Poor	23% (8)
Severe	0% (0)

2 Improvements

Fair to Good: **Rosslyn** - Electrical
Fair to Good: **Rosslyn** - Structural

6 Deteriorations

Good to Fair: **I-564** – Mechanical
Fair to Poor: **Big Walker -** Fire/Life Safety/Security
Fair to Poor: **Hampton Roads WBL** - Fire/Life Safety/Security
Fair to Poor: **Monitor Merrimac** - Fire/Life Safety/Security
Fair to Poor: **Monitor Merrimac** - Mechanical
Fair to Poor: **Rosslyn** - Mechanical

Work is underway on:

- Big Walker & East River
- HRBT
- MMMBT
- I-564

Special Structures – Fixed Span Bridge Health Index*

Varina-Enon Bridge Example (3 Components, 24 Elements)

Deck
- Precast Concrete Deck
- Precast Concrete Top Flange
- Joint Assembly w/o Seal
- Bridge Railing
- Wearing Surface
- Concrete Reinforcement Protection
- Deck Drains
- Joint Effectiveness
- Reinforced Concrete Approach Slab

Superstructure
- Precast Closed Box Girder
- Steel Main Cables
- Elastomeric Bearing
- Fixed Bearing
- Disc Bearing
- Steel Protective Coating
- Concrete Protective Coating
- Beam/Girder Ends

Substructure
- Precast Concrete Column
- Reinforced Concrete Abutment
- Reinforced Concrete Pile Cap/Footing
- Precast Concrete Pier cap
- Reinforced Concrete Wing wall
- Protected Slope – Riprap
- Channel

*** Same methodology used for conventional bridges to estimate remaining life and asset value**

Fixed Span Bridge Health Index: Changes 2025 - 2026

2025 Summary of Health Index for Each Component on Each Fixed Span Bridge

Bridge Name	Deck	Superstructure	Substructure	Overall
460 Connector Bridges				
HRBT* Approaches				
MMMBT** Approaches				
Norris Bridge				
Smart Road Bridge				
Varina Enon Bridge				
Willoughby Bay Bridges				

2025 Percentage & Number of Components in Each Condition Category

Good	43% (9)
Fair	52% (11)
Poor	5% (1)
Severe	0% (0)

2026 Summary of Health Index for Each Component on Each Fixed Span Bridge

Bridge Name	Deck	Superstructure	Substructure	Overall
460 Connector Bridges				
HRBT* Approaches				
MMMBT** Approaches				
Norris Bridge				
Smart Road Bridge				
Varina Enon Bridge				
Willoughby Bay Bridges			↑	

2026 Percentage & Number of Components in Each Condition Category

Good	47.5% (10)
Fair	47.5% (10)
Poor	5% (1)
Severe	0% (0)

Notable Projects in 10 Year Plan

- HRBT Approaches and Willoughby Bay Bridges will be complete
- Preservation emphasis for:
  - Varina-Enon
  - MMMBT Approaches
- 460 Connector structural health monitoring system installation
- Smart Road structural health monitoring system operational
- Norris Bridge advertisement in 2028

*Hampton Roads Bridge Tunnel
**Monitor Merrimac Memorial Bridge Tunnel

1 Improvement ↑

- Fair to Good: **Willoughby Bay –** Substructure

No Deteriorations

NEXT STEPS

Upcoming CTB Meetings

Description	CTB Meeting Date
Routine Maintenance Set Targets	October 14, 2026
CTB approval	December 9, 2026

COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

Pavement and Bridge Funding Recommendations

Dr. Laura Schewel, Deputy Secretary of Transportation

VIRGINIA DEPARTMENT of Aviation

DMV Virginia Department of Motor Vehicles

MVDB

Office of INTERMODAL Planning and Investment

THE PORT OF VIRGINIA

VIRGINIA PASSENGER RAIL AUTHORITY

DRPT VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

VIRGINIA SPACEPORT AUTHORITY

VDOT Virginia Department of Transportation

Overview and Purpose

- Maintenance costs have gone up significantly in the past years and will continue to rise.
- VDOT has created strategies on how to most cost-effectively maintain acceptable quality in the system, presented by Commissioner Brich in prior meetings (and today).
- **Virginia is a maintenance-first state –** the CTB "crosses over" funds from construction to maintenance each year to meet maintenance needs.
- Impacts of addressing maintenance will feel more substantial than is typical due to previous action in 2025 to reduce funding for pavement maintenance for 5 of 6 years in the FY26 programming window.
- This presentation shares SOT's recommendation for pavement and bridge investments, and outlines the impacts if we fund the maintenance gap fully with crossover funds. **They are significant**.
- In October, we will outline some impact-mitigation strategies. These **two** presentations will prepare the CTB to vote on pavement and bridge targets, and the crossover strategy at the December meeting.

For Reference: Relevant Code Language

VA Code requires the Board to set aside funds for adequate maintenance before funding construction

- 33.2-358 A The Board shall allocate each year from all funds made available for highway purposes such amount as it deems reasonable and necessary for the maintenance of roads within the Interstate System, the primary state highway system, and the secondary state highway system and for city and town street maintenance payments

The Appropriation Act establishes maintenance and operations of existing assets as the top priority

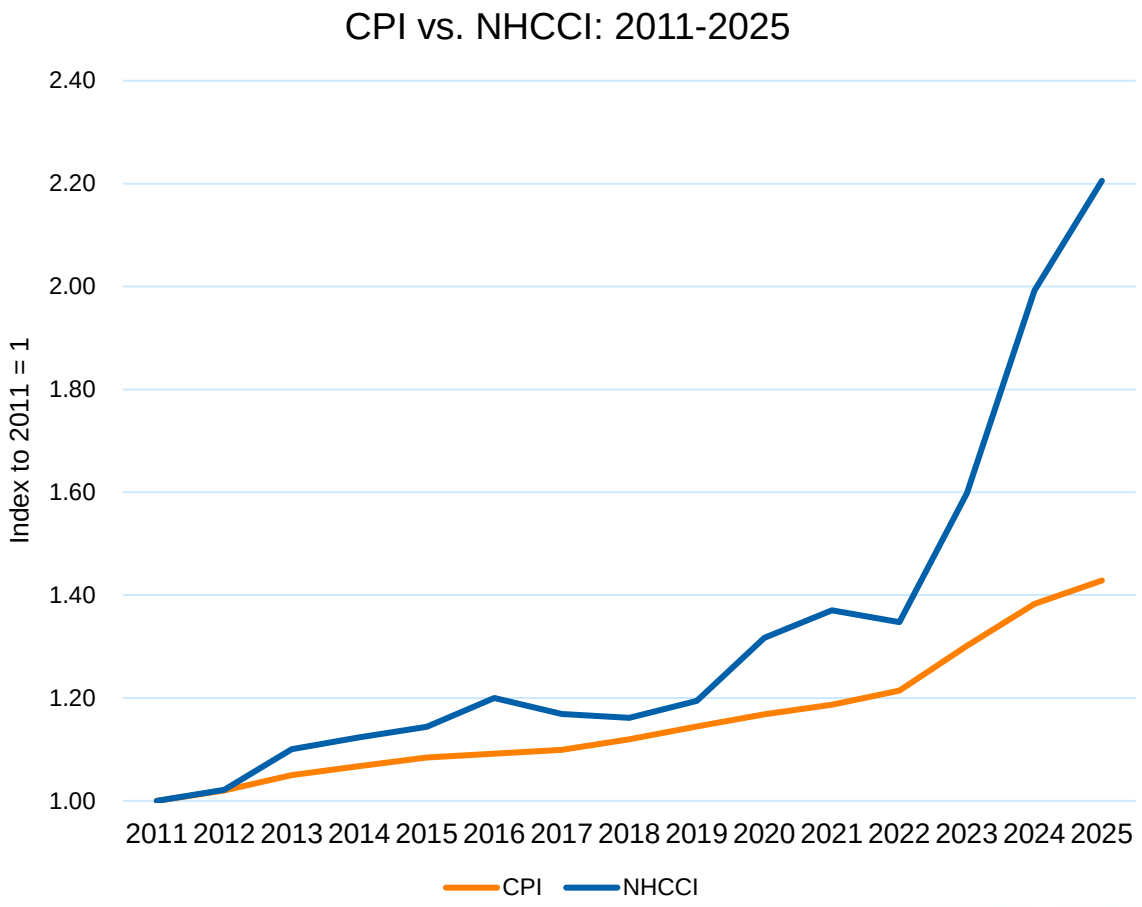
- Item 420 A.1 The maintenance of existing transportation assets to ensure the safety of the public shall be the first priority in budgeting, allocation, and spending. The highway share of the Transportation Trust Fund shall be used for highway maintenance and operation purposes prior to its availability for new development, acquisition, and construction

For Reference: Crossover required flow of funds

- **HMOF has required transfers from the highway share of the Transportation Trust Fund (TTF), referred to as "Crossover"**
  - This directly reduces the funds available for the 5 formula construction programs
    - *State of Good Repair Program (SGR) – 30%
    - Interstate Operations and Enhancement Program (IOEP) – 20%
    - High-Priority Projects Program (HPP) – 20%
    - Highway Construction District Grant Program (DGP) – 20%
    - Virginia Highway Safety Improvement Program (VHSIP) – 10%

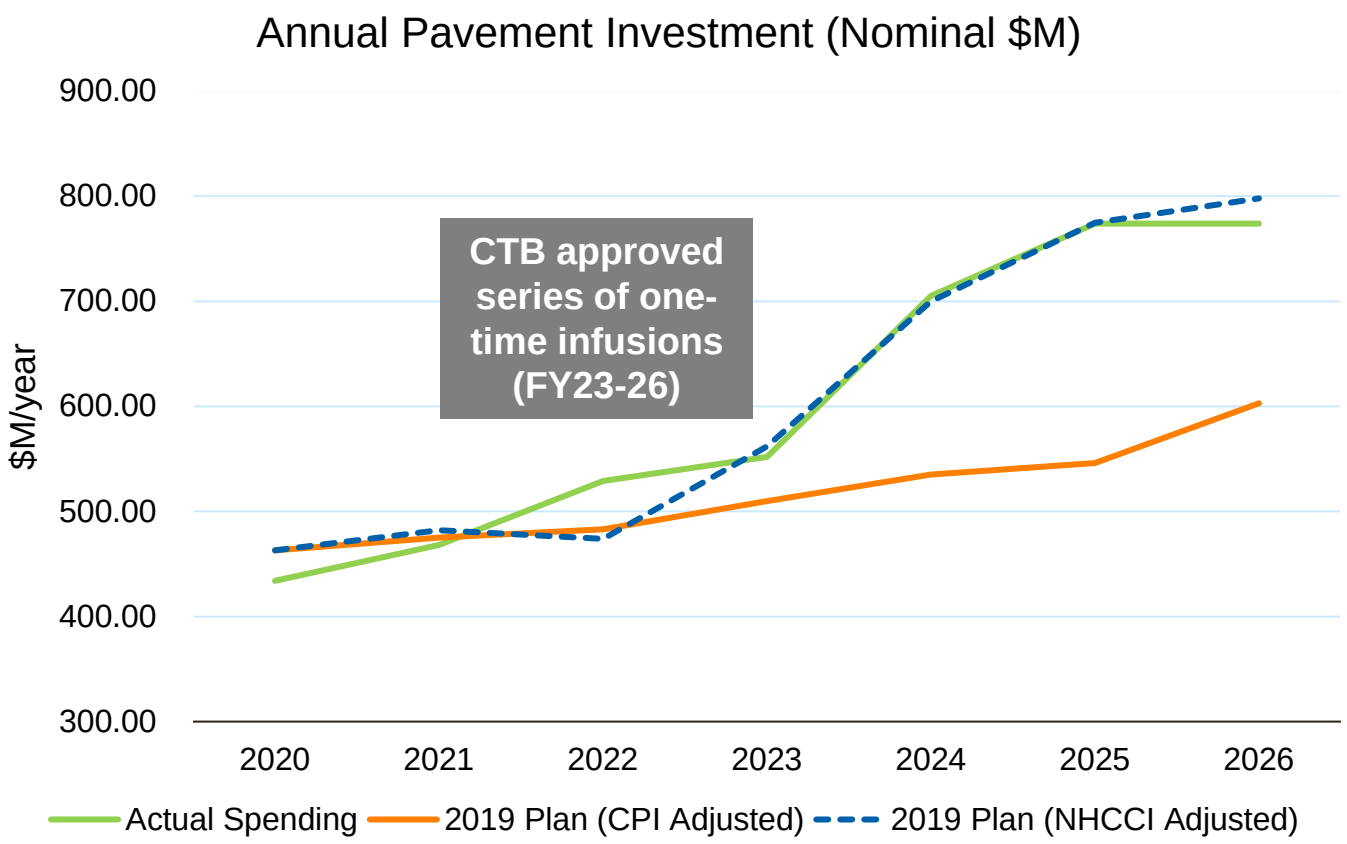
*this fund contributes to capital repair work.

Reminder: Inflation and Construction Costs Pre-2020, Post-2020



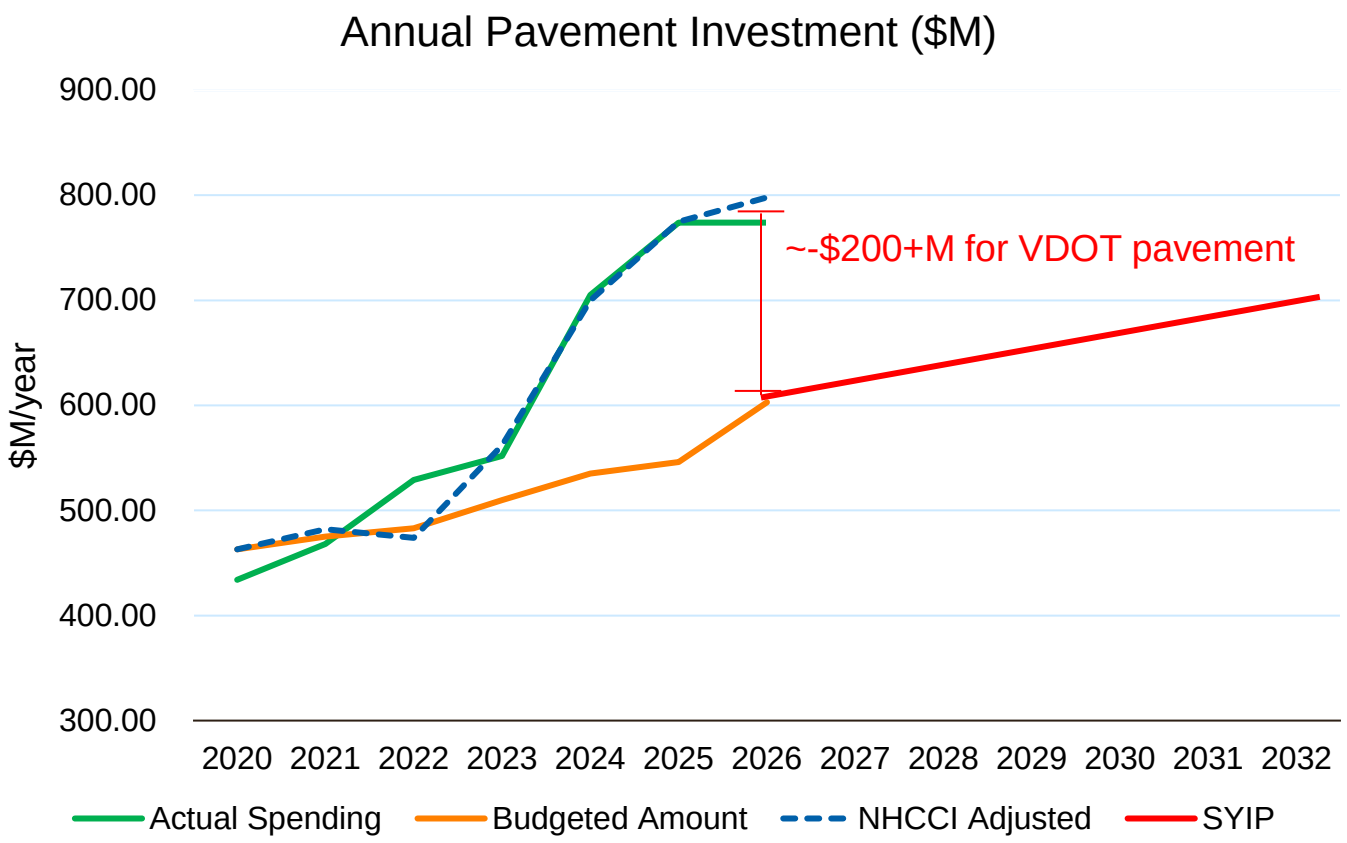
- The National Highway Construction Cost Index (NHCCI), published by FHWA, measures change over time in the prices paid for roadway construction materials and services.
- 2011- 2019 (and before), it tended to experience about the same inflation as the Consumer Price Index (CPI).
- From 2020-2026, the two diverged significantly.
- Gas tax rate was set by law at 26.2 cents per gallon in 2022 and indexed to CPI. **This means VDOT's revenues from the gas tax have risen much less sharply than their costs in the past 6 years.**

Pavement Investment 2020 to 2026



- Starting in 2022, to maintain pavement standards, pavement investment exceeded budget as costs rose.
- The CTB made a series of one-time infusions (taking money from the annual construction budget via crossover) to pavement to cover the gap.
- The increase almost exactly tracks with growth rate in NHCCI.

Pavement Investment Beyond 2026



- The existing SYIP did not assume this level of crossover continues after 2026 (it assumed ~$200M/year less in crossover for pavement than in the prior few years).
- In addition, a reduction of ~$40M in crossover for local maintenance programs was budgeted after 2026.
- Most of these funds were allocated to construction project through FY30.

How Much Do we Need for Pavements?

- **Roads falling into disrepair is an economic and safety liability.**
- **VDOT and SOT recommend keeping existing targets as it is cheaper over time.**
- SGR budget contributes to these targets too.
- Gap to budget is $239M/year in 2028.
- **SOT recommends keeping the paving budget for 2027 (no increase) then increasing by $239M from 2028 onwards.**

	Current Performance % Sufficiency	Avg Cost / Year (2028 – 2048) in $2026	Predicted Performance through 2048
Interstate – Keep at Current Performance	91%	$165M	91%
Primaries - Keep to CTB Targets	82% (75% for low volume)	$330M	82% (75% for low volume)
Secondaries – Keep to CTB Targets	82% (60% for low volume)	$344M	82% (60% for low volume)
Total/Year		$839M	
Delta to Prior Budget		**$239M**	

How Much Do we Need for Bridges?

- Bridge costs follow NCCHI growth too.
- The IIJA infused money into bridge repair and maintenance. The Federal Surface Reauthorization Act seems likely to continue that bridge money to states.
- **VDOT and SOT recommend maintaining current bridge budgets, and assuming the federal bridge program continues**.
- If the federal reauthorization does not extend the bridge program, we will revisit this.

	Current CTB Target Sufficiency (Current actuals)	Avg Cost / Year (2028 – 2050) $2026	Sufficiency expected by 2032	Sufficiency expected by 2048
Interstate – Keep at Current Performance	>97% (97%)	$179M	99%	99%
Primaries - Keep to CTB Targets	>93% (97%)	$216M	97%	95%
Secondaries – Reduce targets	>90% (97%)	$90M	92%	91% (degrades after that)
Total/Year		$530M		
Delta to Budget **(assuming Federal Bridge program)**		**$0**		

How Much Should be Budgeted for Locals?

- The prior costs only apply to VDOT-maintained roads.
- Local governments have experienced the same cost pressures and need to have maintenance payments increased.
- **SOT recommends a pro-rata increase to locality maintenance payments in FY2028 and beyond based on the increase to the VDOT base M&O budget.**
- This estimate will be updated.

	$M
Estimated increase to locality maintenance payments	~$50M
Delta to Budget	**~$50**

Preliminary 2026 Comprehensive Review Re-baseline Findings – Potential Impacts

To increase M&O base by $290M/year, we need to crossover $290M from the "new construction" programs – or $415M total

(millions)	FY2028*	FY2029*	FY2030*	FY2031*	FY2032*	FY2033*
SGR	-$124.5	-$127.7	-$131.0	-$134.4	-$137.9	-$141.4
HPP	-$83.0	-$85.1	-$87.3	-$89.6	-$91.9	-$94.3
DGP	-$83.0	-$85.1	-$87.3	-$89.6	-$91.9	-$94.3
IOEP	-$83.0	-$85.1	-$87.3	-$89.6	-$91.9	-$94.3
VHSIP	-$41.5	-$42.6	-$43.7	-$44.8	-$46.0	-$47.1
TOTAL	**-$415.0**	**-$425.7**	**-$436.7**	**-$448.0**	**-$459.6**	**-$471.5**

*** Subject to change based on updated revenue assumptions**

Impact on Estimated Value of SMART SCALE Round 7 + 8*

Program	Est. Round 7 and Round 8	Round 5 and Round 6	Delta	% Difference
HPP	$356.5	$941.6	($585.1)	(62%)
DGP (statewide)	$356.5	$941.6	($585.1)	(62%)
Supplemental DGP	$650.5	$895.2	($244.7)	(27%)
TOTAL	$1,363.6	$2,778.3	($1,414.7)	(51%)

*Figures in millions, rounded, and subject to change based on updated revenue assumptions and distribution factors

Impact on Estimated Value of DGP for Rounds 7 + 8*

District	Est Rd 7 and Rd 8	Suppm'tal DGP	Total	Rd5 and Rd6 (all)	Delta	% Diff
Bristol	$9.7	$82.4	$92.1	$156.2	($64.1)	(41%)
Culpeper	$12.6	$116.5	$129.0	$187.2	($58.2)	(31%)
F'burg	$34.1	$96.2	$130.3	$195.4	($65.1)	(33%)
HR	$91.6	$50.1	$141.7	$240.9	($99.2)	(41%)
Lynchburg	$21.9	$113.0	$135.0	$205.1	($70.1)	(34%)
NOVA	$81.9	$0.0	$81.9	$216.7	($134.8)	(62%)
Richmond	$62.0	$99.6	$161.5	$224.1	($62.6)	(28%)
Salem	$22.0	$68.9	$90.8	$183.5	($92.7)	(51%)
Staunton	$23.7	$23.7	$44.6	$158.6	($114.0)	(72%)
Total	**$356.5**	**$650.5**	**$1,007.0**	**$1,767.7**	**($760.7)**	**(43%)**

*Figures in millions, rounded, and subject to change based on updated revenue assumptions and distribution factors

Next Steps

- This is the worst-case outcome for addressing pavement needs in terms of impact to construction programs
- SOT will evaluate options to mitigate these impacts
- **Options for consideration will be presented at the October Board meeting**
  - This will only include items under the control of the Board
- **Board will vote in December** on (i) updated pavement and bridge targets and (ii) crossover strategy and mitigation options that are under CTB control.

PROPOSED PPEA GUIDELINES ADOPTION

Office of Public-Private Partnerships

Faizan Habib – P3 Office Director

September 15, 2026

Goals for this Presentation

- Introduce the Public-Private Education Facilities and Infrastructure Act (PPEA) and PPEA Guidelines for VDOT and DRPT

Virginia currently has two P3 enabling Statutes:

- Public-Private Transportation Act of 1995, as amended (PPTA)
- Public-Private Education Facilities and Infrastructure Act of 2002, as amended (PPEA)

Formal adoption of guidelines is the legal prerequisite under the Code of Virginia to identify projects, accept proposals, and officially authorize VDOT to utilize the PPEA

PPEA Overview

PPEA Law

- The PPEA provides the necessary statutory framework for state and local agencies to develop public facilities and infrastructure

Key drivers of PPEA

- Procurement Flexibility
- Innovation & Alternative Delivery
- Lifecycle Cost Efficiency & Risk Allocation

Example VDOT/DRPT Use Cases

- Advanced Traffic Management Systems
- Automation and AI Driven Operations
- Connected Traffic Systems
- Connected Autonomous Vehicle (CAV) Technology

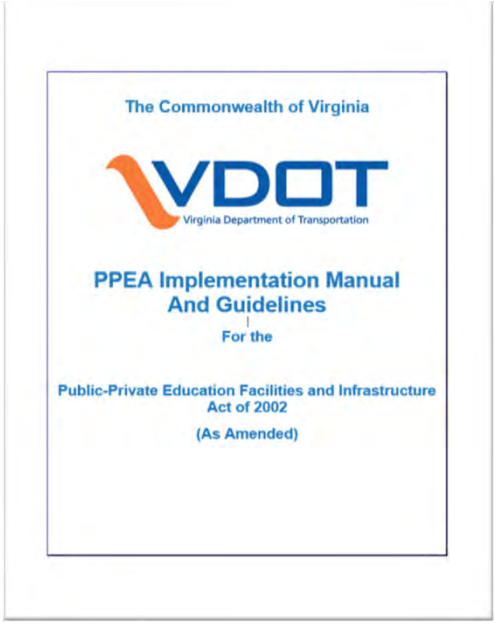
PPEA Consistency and Transparency

- **Unified Project Delivery Framework**
- **Public Interest Comparison**
- **Exceeding Statutory Minimums**

Standardized Delivery Methodology

- Draft Guidelines add early project development steps to confirm a project is technically and financially feasible before it enters formal procurement process.

- The P3 Office uses risk workshops and confidential one-on-one meetings to protect proprietary ideas and allocate risks in ways that maximizes value for the Commonwealth.


The Commonwealth of Virginia

VDOT
Virginia Department of Transportation

PPEA Implementation Manual
And Guidelines
For the

Public-Private Education Facilities and Infrastructure Act of 2002
(As Amended)

PPEA Oversight Roles

CTB receives briefings throughout the process and reviews the final agreement prior to execution. The PPEA also introduces a second layer of review.

Public-Private Partnership Advisory Commission

The Commission advises Commonwealth agencies on financial, policy, and business considerations for proposals submitted under the PPEA.

As defined in the Virginia Code § 30-279, the Commission shall consist of the following eleven members:

- Chair of the House Committee on Appropriations, or designee;
- four members of the House of Delegates appointed by the Speaker of the House
- Chair of the Senate Committee on Finance and Appropriations, or designee;
- two members of the Senate appointed by the Senate Committee on Rules; and
- three Secretaries as defined in § 2.2-200 to be appointed by the Governor to serve *ex officio.*

PPEA Oversight Roles

- **P3 Office:** Leads and coordinates all project development activities and documentation
- **Agency Head:** Approves advancement of projects at each phase and co-signs the Declaration of Public Purpose with the Secretary of Transportation
- **P3 Advisory Commission:** No veto power but can make recommendations
- **CTB:** Receives briefings at the conclusion of each phase and reviews the proposed agreement prior to execution

Required Briefing Documents for CTB:

- **Cost Benefit & Opportunity Cost Analyses:** A detailed economic breakdown justifying the P3 approach over traditional methods.
- **Declaration of Public Purpose:** The formal document signed by the Commissioner certifying the project's public value.
- **Project Fact Sheet:** An updated summary reflecting refined project details, timelines, and scope.
- **Major Business Terms:** A summary of the key commercial and financial structures that will form the basis of the upcoming procurement.

PPEA Procurement Process

What's included

- Projects identified by VDOT or Unsolicited proposals
- High-level Screening report and Detail-level Screening report
- CTB briefed on Detail-level Screening results

Identification & Screening

Goal

- Confirm the project meets agency goals and has public benefit
- Project deemed technically, legally and financially feasible

PPEA Procurement Process

What's included

- Project development activities (geotechnical, environmental, preliminary engineering)
- Cost-Benefit and Opportunity Cost analyses
- Initial declaration of Public Purpose
- CTB briefing on preliminary findings.

Identification & Screening → Project Development

Goal

- Project risk and unknowns reduced before going to market
- Value of P3 delivery confirmed
- Document Public Interest

PPEA Procurement Process

What's included

- RFQ issued and responses evaluated
- RFP issued to short-listed proposers
- Public-Private Partnership Advisory Commission proposal review (45 days)
- Update Cost-Benefit and Opportunity Cost analyses/Final Declaration of Public Purpose
- Public hearing
- CTB briefing on preferred Proposer selection
- Appropriating body review if triggered*
- Comprehensive Agreement Executed

Identification & Screening → Project Development → Project Procurement

Goal

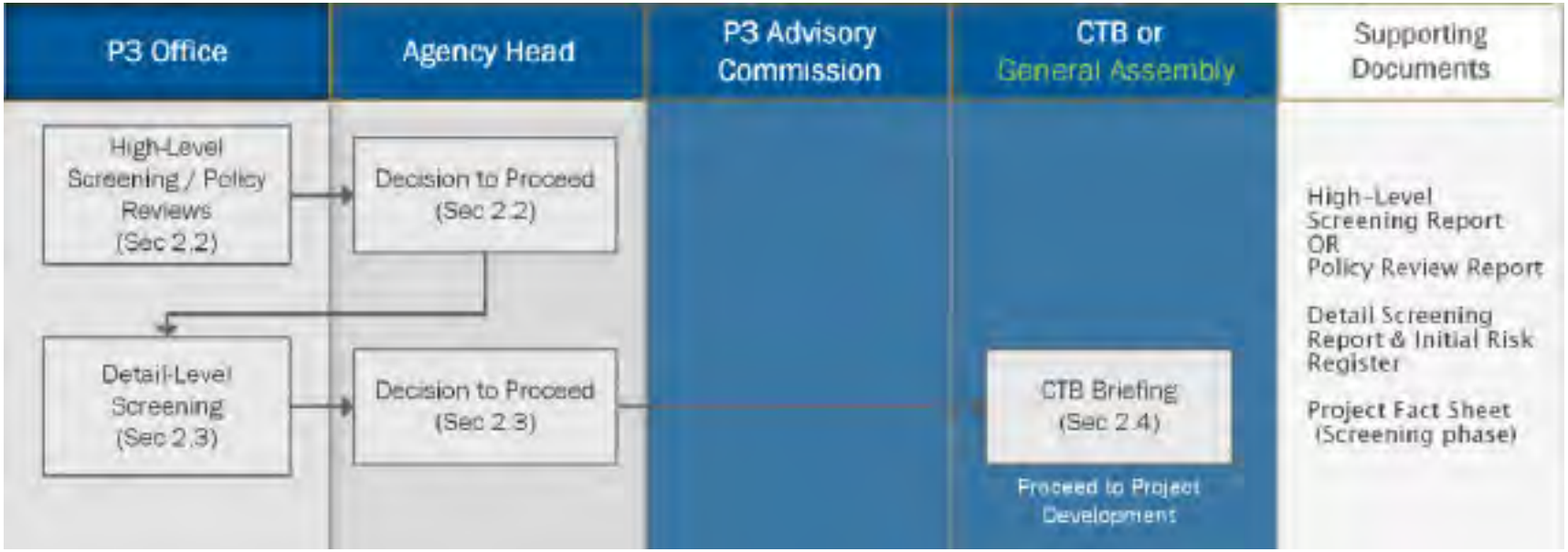
- Qualified proposer pool established through competitive short listing
- Best value proposal selected
- Legislative review completed by the P3 Advisory Commission
- Comprehensive Agreement fully executed

*Appropriating body Triggers when
1)Project creates state tax-supported debt
2)Project requires appropriations beyond the agency's current budget
3)Project significantly limits the Commonwealth's ability to change service levels or funding in the future

VDOT

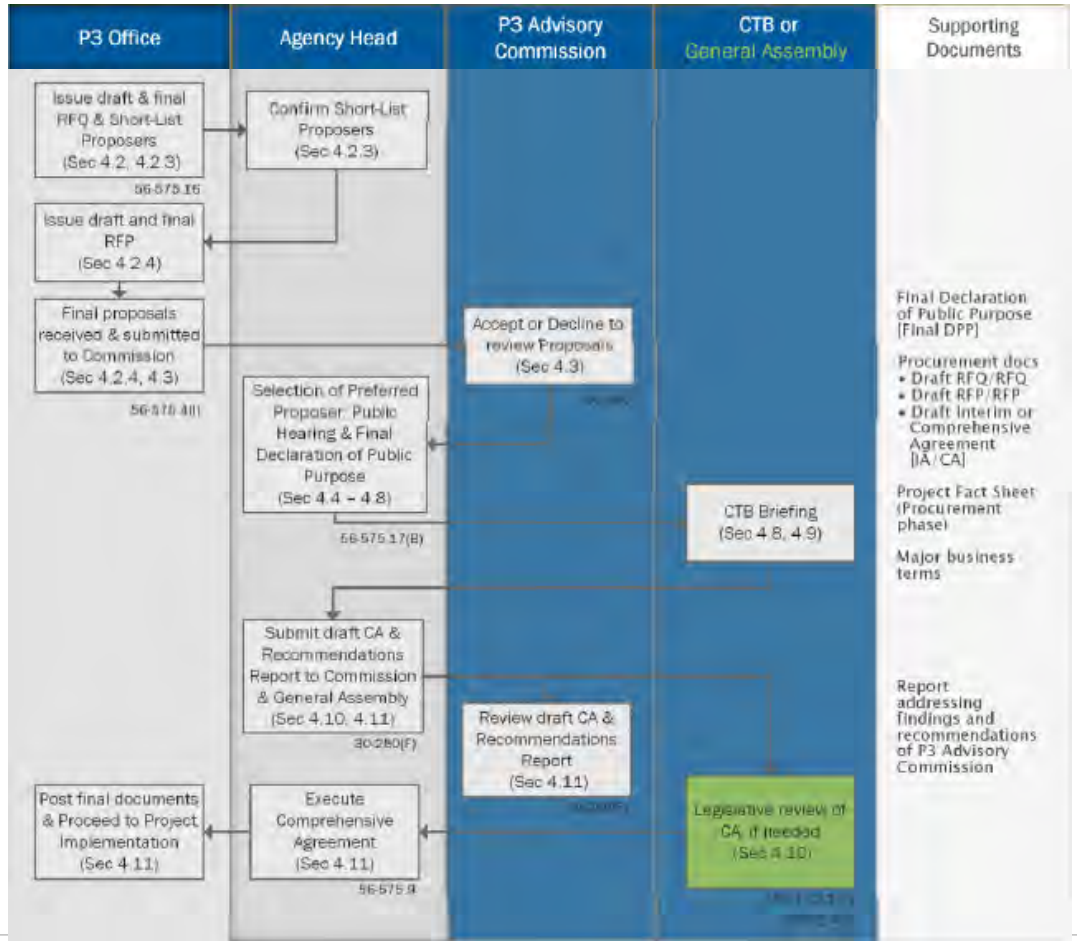
Virginia Department of Transportation

PPEA Identification and Screening Phase



PPEA Project Development

PPEA Project Procurement



The Commonwealth of Virginia

PPEA Implementation Manual And Guidelines

For the

Public-Private Education Facilities and Infrastructure Act of 2002

(As Amended)

WORKING COPY

July 2026

Document Version control

Version	Date Issued
1.0	March 2026

PREFACE

This initial version of the PPEA Guidelines was developed in accordance with statutory requirements in the Public-Private Education Facilities and Infrastructure Act of 2002, Va. Code § 56-575.1 *et seq.* (PPEA) in effect as of March 1, 2026. These guidelines will be updated periodically to reflect changes in legislation, policies, procedures, and industry practice. It tailors the guidance specifically to the use of the public-private partnership (P3) delivery method by the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT). These guidelines have been developed to include congruency and consistency with the Public-Private Transportation Act of 1995, Va. Code § 33.2-1800 *et seq.* (PPTA) process that was established in the May 2015 updates to the PPEA Guidelines.

That congruency was driven in large part by two parallel efforts. While the VDOT P3 Office reviewed and revised its Guidelines for projects under the PPTA in 2014, other groups within VDOT began to investigate the consolidation of existing offices and facilities in Hampton Roads and the prospect of co-locating in new facilities with the state police and emergency services. Because such a project might be developed and procured through the PPEA, VDOT began to look at processes that guide non-transportation project procurements in Virginia and at best practices from around the country for delivering “social infrastructure” .

In 2015, the VDOT P3 Office discovered that guideline changes to make the PPTA process more open and transparent, to improve accountability by a series of public discussions and decisions and to stimulate competition also could prompt greater and more efficient use of the PPEA by state transportation agencies. Despite significant differences in the PPTA and PPEA laws, they asked how they could make the PPEA guidelines more congruent with the PPTA guidelines that had been adopted by VDOT and DRPT and added into law by the 2015 Virginia General Assembly.

Those PPEA Guideline updates allow the strengths of public engagement, risk management and cost-benefit analysis to illustrate for a transportation agency (a responsible public entity) the potential for a public-private partnership. The process provides for an early review by the required legislative commission prior to moving project development and, subsequently, into a PPEA procurement. That emphasis on building a stakeholder consensus on a PPEA project before moving to procurement moderates the risk to potential private partners of one all-or-nothing review by the legislative commission at the end of the process. That consensus on project scope and broad business terms is in place before private teams invest millions of dollars in time and resources preparing proposals. Furthermore, and consistent with the PPEA, these guidelines are designed to encourage competition and guide the selection of projects under the purview of VDOT, as a responsible public entity (as defined in the PPEA).

A congruent set of guidelines for all P3 procurements in Virginia at some point may suggest that the PPEA and PPTA laws, themselves, might be combined so that all state transportation agencies have equal opportunities to develop public-private partnership procurements for priority projects. A consistent, disciplined process that attracts efficiencies and new resources to address Commonwealth infrastructure needs is the real goal.

Faizan Habib

Director, VDOT Office of Public-Private Partnerships

TABLE OF CONTENTS

EXECUTIVE SUMMARY **6**

1 INTRODUCTION **8**

1.1 APPLICABILITY OF THE PPEA MANUAL AND GUIDELINES 8

1.2 P3 PROJECT OBJECTIVES 9

1.3 ORGANIZATIONAL STRUCTURE 9

1.4 P3 PROJECT DELIVERY FRAMEWORK(FRAMEWORK) 10

1.5 PUBLIC ENGAGEMENT 11

1.6 PRE-PROCUREMENT FUNDING 11

2 PROJECT IDENTIFICATION AND SCREENING PHASE **12**

2.1 PROJECT IDENTIFICATION 12

2.1.1 Solicited Projects *13*

2.1.2 Unsolicited Proposals *13*

2.2 HIGH-LEVEL SCREENING AND POLICY REVIEW 15

2.2.1 Solicited Projects: High Level Screening *15*

2.2.2 Unsolicited Proposals: Policy Review *17*

2.3 DETAIL-LEVEL SCREENING PROCESS 19

2.3.1 Report to Commission *19*

2.4 REPORT TO RPE OVERSIGHT BODY 19

2.5 RISK ASSESSMENT 21

2.6 PUBLIC NOTICE FOR SOLICITED PROJECTS AND UNSOLICITED PROPOSALS 21

2.7 KEY ACTION ITEMS 22

3 PROJECT DEVELOPMENT **25**

3.1 PROJECT DEVELOPMENT PROCESS 25

3.2 COST BENEFIT AND OPPORTUNITY COST ANALYSES 26

3.3 DECLARATION OF PUBLIC PURPOSE 26

3.4 REPORT TO RPE OVERSIGHT BODY 26

3.5 RISK ASSESSMENT 27

3.6 KEY ACTION ITEMS 27

4 PROJECT PROCUREMENT 29
4.1 SINGLE-STAGE PPEA PROCUREMENT PROCESS 29
4.2 TWO-STAGE PPEA PROCUREMENT PROCESS 29
4.2.1 Request for Qualifications (RFQ) 29
4.2.2 Statement of Qualifications Evaluation 29
4.2.3 Short-Listing of Qualified Proposers 30
4.2.4 Request for Proposals (RFP) 30
4.2.5 Interim Agreement (IA) 31
4.3 REPORT TO THE COMMISSION 31
4.4 BASIS FOR AWARD AND SELECTION OF PREFERRED PROPOSER 32
4.5 COMPETITION: SIGNIFICANT SCOPE CHANGE POLICY 32
4.6 REVISITED COST BENEFIT AND OPPORTUNITY COST ANALYSIS 32
4.7 RISK MANAGEMENT 34
4.8 FINAL DECLARATION OF PUBLIC PURPOSE 34
4.9 REPORT TO RPE OVERSIGHT BODY 34
4.10 APPROPRIATING BODY REVIEW 34
4.11 CONTRACT FINALIZATION AND AWARD 35
4.12 KEY ACTION ITEMS 35
5 PROJECT IMPLEMENTATION 37
5.1 POST-COMMERCIAL CLOSE 37
5.2 POST-FINANCIAL CLOSE 37
5.3 OPERATIONS AND MAINTENANCE 37
5.4 LESSONS LEARNED 38
5.5 KEY ACTION ITEMS 38
APPENDICES TABLE OF CONTENTS 39
A. Appendix A -PPEA Guidelines Definitions A-1
B. Appendix B- Rights and Disclaimers B-1
C. Appendix C - P3 Project Delivery Framework Flowcharts C-1
D. Appendix D-Guidance on Approach to Commercial Terms D-1
E. Appendix E - Guidance for Unsolicited Proposal Preparation E-1
F. Appendix F- Guidance on Detail-Level Screening Criteria F-2

G. Appendix G – Guidance for the RFQ Process G-2
H. Appendix H-Guidance for the RFP Process H-1
I. Appendix I- Legal Framework – PPEA of 2002 ..... I-1
J. Appendix J - Confidentiality and Security of Information J-1
K. Appendix K - PPEA Manual and Guidelines Statutory Cross-Reference K-1

EXECUTIVE SUMMARY

The Public-Private Education Facilities and Infrastructure Act of 2002, as amended, Chapter 22.1 of Title 56 of the Code of Virginia (Va. Code § 56-575.1 *et seq., or* PPEA), grants Responsible Public Entities (RPEs) the authority to utilize Public-Private Partnerships (P3) to develop a wide range of projects for public use. The PPEA defines Responsible Public Entity to include any Public Entity that has the power to develop or operate an applicable Qualifying Project (as defined by the PPEA). Public Entities must determine there is a need for the project, and that private involvement may deliver the project to the public in a more timely and cost-effective fashion.

The 2026 PPEA Implementation Manual and Guidelines (PPEA Manual and Guidelines), developed by the Virginia Department of Transportation's Office of Public-Private Partnerships (VDOT P3 Office), provide a P3 Project Delivery Framework (Framework) that identifies, evaluates, develops, procures and delivers Qualifying Projects in a consistent, transparent, timely, and cost-effective manner. In this guidance, any project advanced using the PPEA is generally referred to as a P3 project and the RPE's under this PPEA Manual and Guidelines are the Virginia Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT).

The Framework, shown in **Figure 1**, formalizes the process to enhance delivery of Qualifying Projects in the Commonwealth. It is designed to highlight the multiple decision points; salient points of transparency and public engagement opportunities, and the competitive nature of the procurement process.

The PPEA Manual and Guidelines are organized into chapters that provide specific details and address roles and responsibilities. The document reflects the processes and decision points inherent in a P3 project for both Solicited Projects (initiated by the RPE) and Unsolicited Proposals (submitted by Private Entities) to develop or operate a Qualifying Project.

Chapter 1 is the **introduction** to the PPEA Manual and Guidelines and includes descriptions of the: purpose; project objectives; Framework; organizational structure; pre-procurement funding and public engagement.

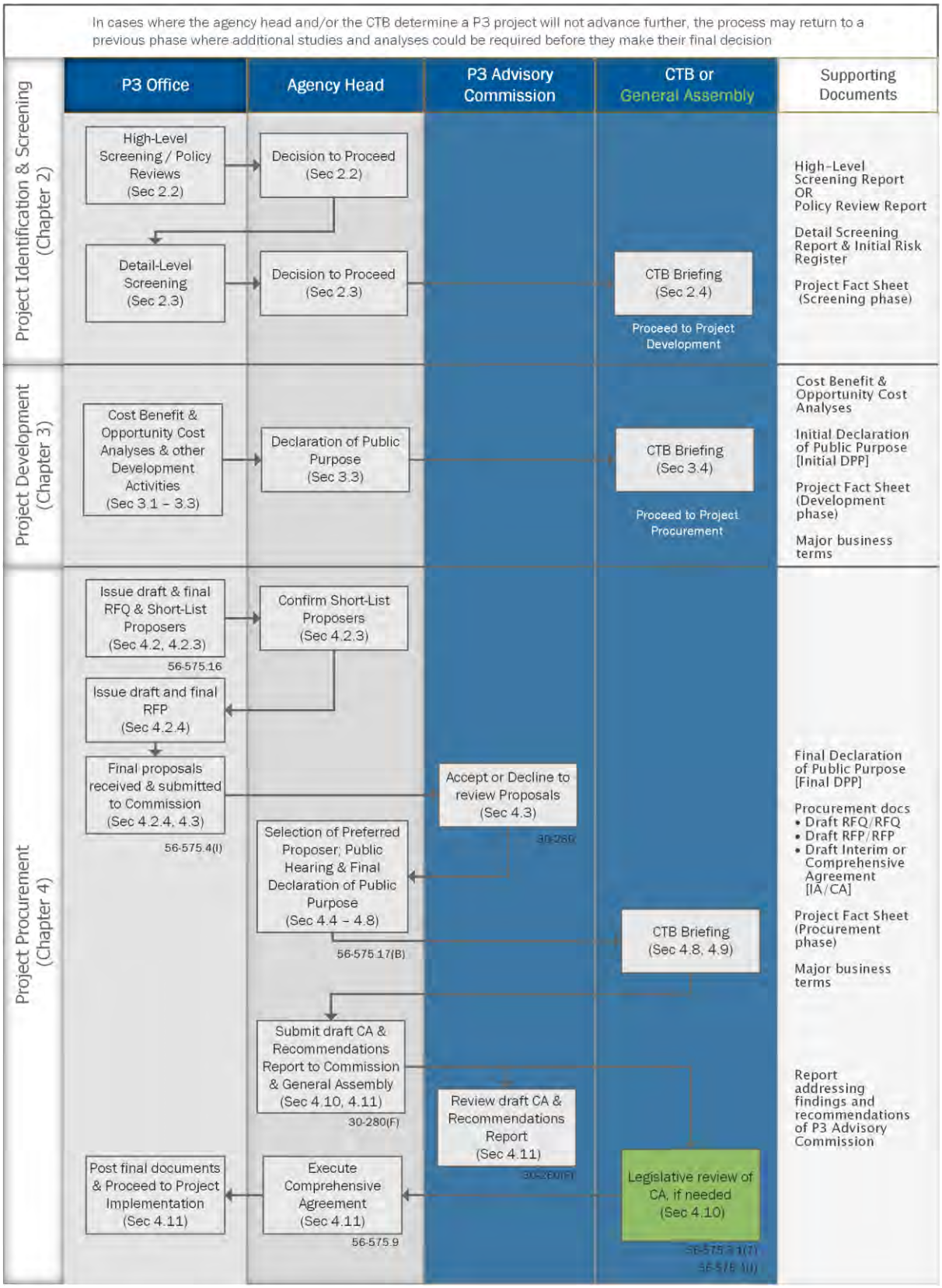
Chapter 2 lists the types of projects defined as Qualifying Projects in the PPEA and describes the **project identification and screening phase** for potential P3 projects and the steps related to both Solicited Projects and Unsolicited Proposals.

Chapter 3 describes the **project development phase** including a number of key tasks, which could take place to prepare the project for procurement depending on the characteristics and scope of the project.

Chapter 4 describes the **project procurement phase** that includes issuing a Request for Qualifications (RFQ), short-listing qualified Proposers, issuing a Request for Proposals (RFP), establishing the basis for award, and selecting a Preferred Proposer.

Chapter 5 describes the **project implementation phase** which commences after the execution of the Comprehensive Agreement until the completion of both (i) VDOT / DRPT and (ii) the selected Proposer's contractual obligations.

Figure 1: P3 Project Delivery Framework (Framework)



1 INTRODUCTION

The Public-Private Education Facilities and Infrastructure Act of 2002, as amended, Chapter 22.1 of Title 56 of the Code of Virginia (PPEA)is intended to facilitate the timely development and/or operation of Qualifying Projects and to encourage investment in the Commonwealth of Virginia by Private Entities. This legislative framework enables the Commonwealth, local governments, and Public Entities, as defined in the PPEA, to enter into Public-Private Partnerships (P3s) to facilitate the development and/or operation of education facilities, technology infrastructure, and other public infrastructure and government facilities. The PPEA allows a Private Entity to develop a project for public use if a Responsible Public Entity (RPE) determines that there is a need for the project and that private involvement may provide the project to the public in a more timely or cost-effective manner that promotes optimal risk sharing. P3 projects, under the PPEA may bring private funding and/or private sector expertise and efficiencies to the development and/or operation of Qualifying Projects.

This PPEA Manual and Guidelines is organized into chapters, which include: Project Identification and Screening; Project Development; Project Procurement; and Project Implementation. Each chapter concludes with a summary of key action items and the entity(ies) responsible for each item. The purpose of the PPEA Manual and Guidelines is to define consistent, transparent, and efficient processes relevant to the development of P3s, and to encourage private sector innovation and investment addressing educational and public use facility needs of the Commonwealth.

1.1 Applicability of the PPEA Manual and Guidelines

The PPEA requires the RPEs to develop and/or adopt guidelines for the acceptance and review of both Solicited Projects and Unsolicited Proposals. Before an RPE can identify and initiate a Solicited Project or accept an Unsolicited Proposal for consideration, the PPEA requires an RPE to adopt and make publicly available guidelines that are reasonable, encourage competition and guide the selection of projects by the RPE. Va. Code §56-575.3:1(A)). The PPEA also requires that the guidelines establish a specific schedule for review of a Solicited Project or an Unsolicited Proposal by the RPE; a process for alteration of that schedule by the RPE if it deems changes are necessary; and the type and amount of information necessary for adequate review in each phase. The processes outlined in this PPEA Manual and Guidelines are specifically designed for use by the Virginia Department of Transportation (VDOT) and Virginia Department of Rail and Public Transportation (DRPT). They should also be used by members of the private sector interested in submitting Proposals for P3 projects to VDOT or DRPT.

Each P3 project is unique and certain elements set forth in this PPEA Manual and Guidelines may not apply in all circumstances or may be subject to change. Therefore, the agency head, in coordination with the VDOT P3 Office Director, retains flexibility to modify the development, procurement and implementation processes contained herein to address the specific needs of a particular P3 project, provided the process modifications are in accordance with the PPEA. The public, private entities (industry) and other stakeholders will be notified of modifications to project development, procurement and implementation processes set forth in this PPEA Manual and Guidelines by means of a statement issued with the Request for Qualifications (RFQ) and/or Request for Proposals (RFP) documents, outlining and explaining the modifications.

The PPEA Manual and Guidelines do not modify or override requirements of the PPEA or other applicable law. In the event of any conflicts between the PPEA (or other applicable law) and the PPEA Manual and Guidelines, the PPEA shall govern. The PPEA Manual and Guidelines may be updated periodically in order to reflect changes in applicable law, policies and best practices.

1.2 P3 Project Objectives

To ensure that P3 projects are consistent with the purpose of the PPEA (see Va. Code § 56-575.2) and the Commonwealth's goals, the following objectives for P3 projects have been established:

- create investment opportunities that increase the quality of public infrastructure and government facilities;
- administer a fair, reliable, uniform and competitive project development and procurement process that encourages innovation and private sector investment and creates long term value for the Commonwealth;
- achieve lifecycle cost efficiencies through appropriate risk transfer and optimal risk allocation;
- facilitate timely delivery of P3 projects, within established laws and regulations;
- promote transparency and accountability through active public engagement, coupled with informed and timely decision making; and
- foster efficient management of Commonwealth financial and organizational resources.

1.3 Organizational Structure

The VDOT P3 Office reports directly to the Chief Financial Officer (CFO) at the Virginia Department of Transportation (or their designee) and supports DRPT for any P3 project considered under the PPEA. Key participants in the development and delivery of a PPEA project in this regard would include the: VDOT P3 Office; VDOT / DRPT; Affected Jurisdiction(s); RPE Oversight Body (under the guidance of the Commonwealth Transportation Board); Appropriating Bodies (if the statutory criteria are met); and the Public-Private Partnership Advisory Commission.

VDOT P3 Office - The VDOT P3 Office coordinates all aspects of the development and procurement of PPEA projects initiated as Solicited Projects or submitted as Unsolicited Proposals for VDOT / DRPT. The VDOT P3 Office works closely with VDOT / DRPT and Affected Jurisdictions to facilitate public awareness, understanding, and support for P3 projects. Other responsibilities of the VDOT P3 Office include:

- *Project Identification and Screening* - The VDOT P3 Office screens and evaluates potential Qualifying Projects to determine whether or not to advance the potential project using the P3 delivery method. Further descriptions of VDOT P3 Office's role in the project identification, advancement and decision-making phase can be found in **Chapter 2**.
- *Developing and Procuring P3 Projects* - A VDOT P3 Office project manager works with all stakeholders to develop and procure P3 projects. A description of the project development and project procurement phases can be found in **Chapter 3 and 4**, respectively.

Responsible Public Entity (RPE) - According to the PPEA, the RPE is the legal entity that has the authority and power to develop and/or operate (§56-575.1) a Qualifying Project. The RPE has the responsibility and legal authority to make decisions on commercial and contractual terms related to P3 projects and to enter into contractual agreements. In this PPEA Manual and Guidelines the RPE is VDOT or DRPT.

Agency head – Subject to the oversight of other officials and entities provided by law, each agency's agency head has the responsibility and authority to make decisions on the P3 project delivery model,

including business and contractual terms related to the P3 projects. At VDOT, the agency head is the Commissioner of Highways; at DRPT, the agency head is the Director.

Affected Jurisdiction(s) - An Affected Jurisdiction is any county, city, or town in which all or a portion of a Qualifying Project is located (Va. Code § 56-575.1). It is important that Affected Jurisdictions are part of the process and have input in potential Qualifying Projects. Qualifying Projects should be compatible with the goals and objectives of the Affected Jurisdiction(s).

RPE Oversight Bodies – RPEs developing public use facility P3 projects may rely on direction from various Oversight Bodies. For example, the Commonwealth Transportation Board (CTB) oversees the Virginia Department of Transportation (VDOT) and the Virginia Department of Rail and Public Transportation (DRPT) as provided by law.

It is important that RPE Oversight Body(ies) are regularly informed regarding the status of a P3 project. The VDOT P3 Office keeps the CTB informed at major milestones as shown in **Figure 1.**

Appropriating Bodies - The Appropriating Body reviews financial studies and analyses related to a Qualifying Project; including but not limited to: a Cost-Benefit Analysis and an assessment of opportunity cost prior to execution of an Interim Agreement (IA) or Comprehensive Agreement (CA) (Va. Code § 56-575.3:1(B)). Transportation funds for VDOT and DRPT are appropriated through the Commonwealth's budget process.

Public-Private Partnership Advisory Commission – The Public-Private Partnership Advisory Commission (the Commission) advises RPEs that are agencies or institutions of the Commonwealth on financial impacts, policy aspects and general business terms and conditions for Proposals received pursuant to the PPEA.

As defined in the Virginia Code§ 30-279, the Commission shall consist of the following eleven members:

- Chair of the House Committee on Appropriations, or designee;
- four members of the House of Delegates appointed by the Speaker of the House
- Chair of the Senate Committee on Finance and Appropriations, or designee;
- two members of the Senate appointed by the Senate Committee on Rules; and
- three Secretaries as defined in § 2.2-200 to be appointed by the Governor to serve *ex officio.*

According to the Virginia Code § 30-280 each RPE receiving detailed Proposals from Private Entities for a Qualifying Project shall provide copies of such Proposals to the chairs of the Commission, the House Committee on Appropriations, the House Committee on Finance, the Senate Committee on Finance and Appropriations or their designees, and the Director of the Department of General Services for review and comment prior to the development of an IA or CA.

1.4 P3 Project Delivery Framework(Framework)

The Framework shown in **Figure 1** formalizes P3 project delivery for Qualifying Projects. It highlights the phases and decision points inherent in P3 project development for both Solicited Projects and Unsolicited Proposals. Further information on each phase of the P3 Framework is contained in each of the chapters of the PPEA Manual and Guidelines.

1.5 Public Engagement

Active public engagement is important to ensure transparency, accountability and the successful delivery of the Qualifying Project. There are numerous public engagement opportunities identified throughout the PPEA. The PPEA requires that a RPE make publicly available the guidelines that it has adopted (Va. Code § 56-575.3:1(A)). In addition, the PPEA Manual and Guidelines are available on the VDOT P3 Office website: p3.virginia.gov

For Unsolicited Proposals the PPEA requires, the advertising of a public notice in the Virginia Business Opportunities publication and posting on the Department of General Services' centralized electronic procurement website (eva.virginia.gov) (Va. Code § 56-575.3:1(B)(11)). The PPEA also addresses the posting of Proposals, public comment, and public access to procurement records (Va. Code § 56-575.17), as noted below.

VDOT / DRPT will post Proposals within 10 working days after acceptance of such Proposals. Posting, or a link to the Proposal documents, will be on the VDOT P3 Office website and the eva.virginia.gov website.

In addition to the posting requirements, at least one copy of the Proposals will be made available for public inspection. Trade secrets, financial records, or other records of the Private Entity eligible to be excluded from disclosure under the provisions of § 2.2-3705.6 (11) of the Code of Virginia will not be required to be posted, except as otherwise agreed to by VDOT / DRPT and the Private Entity.

VDOT / DRPT will also hold a public hearing on the Proposals during the Proposal review process, but not later than 30 calendar days prior to entering into an IA or CA (Va. Code § 56-575.17(B)).

Once the development of an IA or a CA is complete, but before it is executed, the VDOT / DRPT will make the proposed agreement available for public inspection.

Once an IA or a CA has been executed, VDOT / DRPT will make the procurement records available for public inspection.

1.6 Pre-Procurement Funding

The agency head and the VDOT P3 Office Director will establish a funding mechanism to advance the development of a Qualifying Project submitted through the required steps identified in the P3 Framework shown in **Figure 1**.

2 PROJECT IDENTIFICATION AND SCREENING PHASE

This chapter discusses the criteria for identification of Qualifying Projects. The chapter also outlines the two step process by which the VDOT P3 Office screens a Qualifying Project. The screenings assist VDOT / DRPT in making decisions about advancing the Qualifying Project to project development and potential procurement through the PPEA.

2.1 Project Identification

For a project to be identified for development under the PPEA it must first be considered for its suitability as a Qualifying Project. In terms of the PPEA, Qualifying Projects are defined as one or more of the following (Va. Code § 56-575.1):

i. any education facility, including, but not limited to a school building, any functionally related and subordinate facility and land to a school building (including any stadium or other facility primarily used for school events), and any depreciable property provided for use in a school facility that is operated as part of the public school system or as an institution of higher education;

ii. any building or facility that meets a public purpose and is developed or operated by or for any Public Entity;

iii. any improvements, together with equipment, necessary to enhance public safety and security of buildings to be principally used by a Public Entity;

iv. utility and telecommunications and other communications infrastructure;

v. a recreational facility;

vi. technology infrastructure, services, and applications, including, but not limited to, telecommunications, automated data processing, word processing and management information systems, and related information, equipment, goods and services;

vii. any services designed to increase the productivity or efficiency of the Responsible Public Entity through the use of technology or other means;

viii. any technology, equipment, or infrastructure designed to deploy wireless broadband services to schools, businesses, or residential areas;

ix. any improvements necessary or desirable to any unimproved locally- or state-owned real estate; or

x. any solid waste management facility as defined in § 10.1-1400 that produces electric energy derived from solid waste.

In addition to determining if the project satisfies the criteria of a Qualifying Project, each project needs to be screened for applicability with the criteria listed below to ensure that the project is consistent with the purpose of the PPEA (Va. Code § 56-575.2):

1. There is a public need for timely acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, operation, implementation, or installation of education facilities, technology infrastructure and other public infrastructure and government facilities within the Commonwealth that serve a public need and purpose;

2. Such public need may not be wholly satisfied by existing methods of procurement in which Qualifying Projects are acquired, designed, constructed, improved, renovated, expanded, equipped, maintained, operated, implemented, or installed;

3. There are inadequate resources to develop new education facilities, technology infrastructure and other public infrastructure and government facilities for the benefit of citizens of the Commonwealth, and there is demonstrated evidence that public-private partnerships will meet these needs by improving the schedule for delivery, lowering the cost, and providing other benefits to the public;

4. Financial incentives exist under state and federal tax provisions that promote Public Entities to enter into partnerships with Private Entities to develop Qualifying Projects; and

5. Authorizing Private Entities to develop or operate one or more Qualifying Projects may result in the availability of such projects to the public in a more, timely, or less costly fashion, thereby serving the public safety, benefit, and welfare.

PPEA candidate projects are identified from two primary sources, either as Solicited Projects, or as Unsolicited Proposals. For Qualifying Projects, whether Solicited or Unsolicited, that are deemed in writing by the agency head to be a priority for the VDOT / DRPT, the P3 Office may develop an accelerated selection and review process and documentation timelines for development, procurement and implementation. (See Va. Code § 56-575.3:1(B)(4))

2.1.1 Solicited Projects

Any Solicited Project candidate for P3 consideration should meet P3 suitability criteria as outlined below in Section 2.2. The VDOT P3 Office will maintain a portfolio of candidate P3 projects and perform High-Level Screenings, as described below, to determine their feasibility.

2.1.2 Unsolicited Proposals

Unsolicited Proposals for a PPEA project are submitted to an RPE by a Private Entity. Private Entities interested in submitting an Unsolicited Proposal to VDOT may wish to coordinate with the VDOT P3 Office prior to submission. When ready, the Private Entity may submit the Unsolicited Proposal to the agency head at the below address. Private Entities must also notify each Affected Jurisdiction by furnishing a copy of the Unsolicited Proposal to each Affected Jurisdiction (See Va. Code § 56-575.6 and Appendix E).

Director of VDOT Public-Private Partnerships Office
Virginia Department of Transportation
1221 E. Broad St
Richmond, VA 23219

Private Entities may request approval of a potential Qualifying Project by submitting an Unsolicited Proposal. Any such request shall be accompanied by the following material and information (in accordance with Virginia Code § 56-575.4) unless waived by the RPE in coordination with the VDOT P3 Office:

1. A topographic map (1:2,000 or other appropriate scale) indicating the location of the Qualifying Project;

2. A description of the Qualifying Project, including the conceptual design of such facility or facilities or a conceptual plan for the provision of services or technology infrastructure, and a schedule for the initiation of and completion of the Qualifying Project to include the proposed major responsibilities and timeline for activities to be performed by both the Public Entity and the Private Entity;

3. A statement setting forth the method by which the Private Entity proposes to secure necessary property interests required for the Qualifying Project;

4. Information relating to the current plans for development of facilities or technology infrastructure to be used by a Public Entity that is similar to the Qualifying Project being proposed by the Private Entity, if any, of each Affected Jurisdiction;

5. A list of all permits and approvals required for the Qualifying Project from local, state, or federal agencies and a projected schedule for obtaining such permits and approvals;

6. A list of public utility facilities, if any, that will be crossed by the Qualifying Project and a statement of the plans of the Private Entity to accommodate such crossings;

7. A statement setting forth the Private Entity's general plans for financing the Qualifying Project including the sources of the Private Entity's funds and identification of any dedicated revenue source or proposed debt or equity investment on the behalf of the Private Entity;

8. The names and addresses of the persons who may be contacted for further information concerning the request;

9. User Fees, lease payments, and other service payments over the term of the IA or CA and the methodology and circumstances for changes to such User Fees, Lease Payments, and other service payments over time;

10. Any additional material and information as VDOT / DRPT may reasonably request; and

11. Private Entities will also be required to submit an initial Cost-Benefit Analysis and Opportunity Cost Analysis (Va. Code § 56-575.3:1(B)(5)).

Using the information listed above, a Policy Review (see Section 2.2.2) of Unsolicited Proposals submitted will be performed to determine their feasibility.

2.1.2.1 Unsolicited Proposal Review Fee

Private Entities interested in submitting an Unsolicited Proposal are required to pay a non-negotiable Proposal Review Fee at the time of submitting the Unsolicited Proposal to VDOT / DRPT.

The Proposal Review Fee is $25,000.00 for all Unsolicited Proposals submitted with a total proposed and conceptual value of under $50M. For Unsolicited Proposals submitted with a total proposed and conceptual

value of $50M and greater, the Proposal Review Fee will be $50,000.00. Fees may be paid by certified check or money order made payable to the Treasurer of the Commonwealth.

The form and manner of the Proposal Review Fee payment submission shall be determined and specified by VDOT / DRPT. Proposers submitting multiple Proposals for unrelated P3 projects will be required to submit a Proposal Review Fee for each Unsolicited Proposal submission.

2.2 High-Level Screening and Policy Review

The project screening process within the Framework is designed to assist the VDOT / DRPT in determining the suitability of delivering projects under the PPEA and is a means of systematically and consistently applying evaluation criteria to Solicited Projects and Unsolicited Proposals.

Project screening is organized into two stages:

1. Solicited Projects will undergo a High-Level Screening and Unsolicited Proposals will undergo a Policy Review.

2. Those Solicited Projects and Unsolicited Proposals that are recommended to advance for further consideration will undergo a Detail-Level Screening.

The VDOT P3 Office Director will appoint a project manager for each project selected for screening. The project manager will work with representatives from other VDOT / DRPT divisions, as applicable, to conduct and document the screening results.

2.2.1 Solicited Projects: High Level Screening

In coordination with VDOT / DRPT, the VDOT P3 Office will conduct the High-Level Screening of Solicited Projects identified as candidates for P3 delivery.

Figure 2 depicts steps taken during the High-Level Screening**.**

Figure 2: High-Level Screening Process

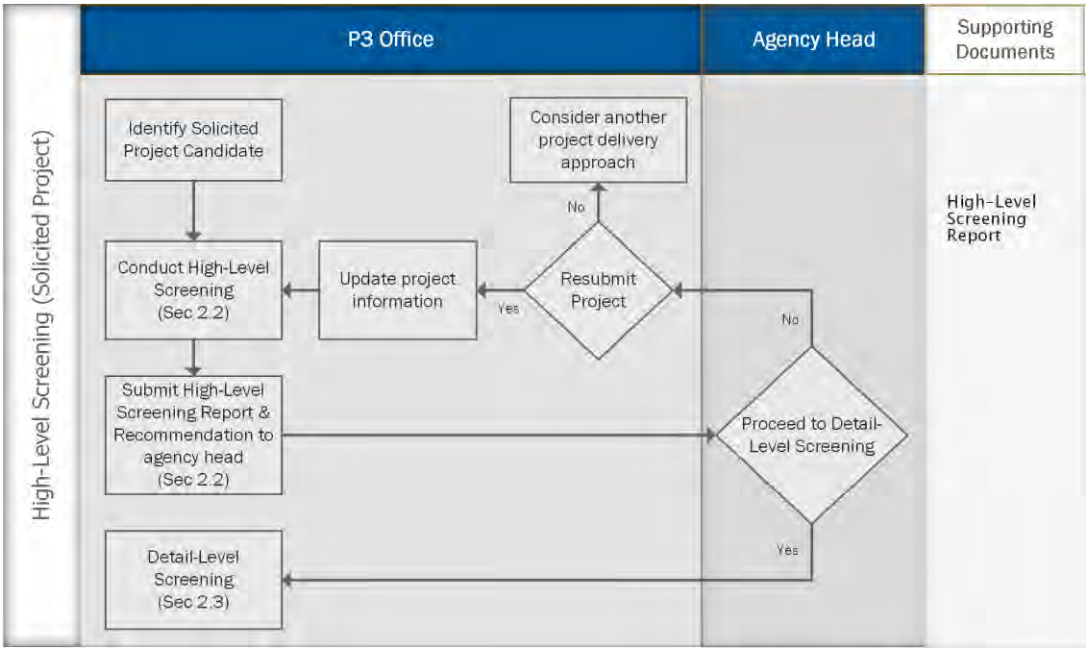


Table 1 below provides guidance for the High-Level Screening criteria intended to assess whether a project is a potential candidate P3 project.

Table 1: High-Level Screening Criteria for Solicited Projects

High-Level Screening Criteria	
Project Complexity	Is the project sufficiently complex in terms of technical and/or financial requirements to effectively leverage private sector innovation and expertise?
Accelerating Project Development	If the required public funding is not currently available for the project, could using a P3 delivery method accelerate project delivery?
Education, Technology, Public Infrastructure and Government Facility Priorities	Is the project consistent with the overall objectives and missions of the Commonwealth and/or the VDOT / DRPT? Does the project adequately address education infrastructure, technology infrastructure or public infrastructure and government facility needs? Are any mandatory source requirements applicable to the project, and if so, are these requirements adequately addressed? Examples include: • *Virginia Correctional Enterprises (VCE). Section 53.1-47 of the Code of Virginia provides that goods and services produced or manufactured by state correctional facilities must be purchased by state agencies.* • *Virginia Information Technologies Agency (VITA) – VITA approval is required for the purchase of information technology. See Va. Code § 2.2-2012.*
Project Efficiencies	Would the P3 delivery method provide efficiencies over the project lifecycle? Is there an opportunity to provide economies of scale, or achieve efficiencies through the inclusion of long-term operations and maintenance functions?
Ability to Transfer Risk	Would the P3 delivery method provide optimal transfer of project risks and potential future responsibilities to the private sector either on a short-term basis or a long-term basis?
Funding Requirement	Does the project have any revenue generation potential to offset any public funding requirement, if necessary? Could VDOT / DRPT pay for the project over time, such as through an availability payment, or bridge financing as opposed to paying for the entire cost upfront?
Ability to Raise Capital	Would delivering the project under the PPEA help free up capital from other sources for other priorities within the Commonwealth or for the VDOT / DRPT? Is the project consistent with federal requirements and potential agreements for federal funding and/or approval for P3 projects, if required?
Nonfinancial Considerations	Considerations of the nonfinancial benefits of a proposed Qualifying Project

The VDOT P3 Office will rely on these High-Level Screening criteria to initially assess the suitability of candidate projects for P3 delivery and to determine which projects should advance to a Detail-Level Screening. The VDOT / DRPT may amend these High-Level Screening criteria to address unique aspects of each candidate project.

Within 10 calendar days of completing the High-Level Screening, the VDOT P3 Office Director will submit a recommendation to the agency head as to whether a given candidate project should advance to the Detail-Level Screening process. The agency head will then make the final determination.

2.2.2 Unsolicited Proposals: Policy Review

Private Entities may submit Unsolicited Proposals to VDOT / DRPT at any time pursuant to the PPEA and this PPEA Manual and Guidelines. Private Entities should note the requirements with respect to submission of Unsolicited Proposals are described in Section 2.1.2.

Within 30 calendar days of receiving an Unsolicited Proposal from a Private Entity, the VDOT P3 Office will perform a Policy Review and brief evaluation of the concept and benefits to ensure the Unsolicited Proposal is in accordance with the Code of Virginia, this PPEA Manual and Guidelines and is consistent with the PPEA's intent and policy objectives. The findings of the evaluation and the VDOT P3 Office's recommendation's will be documented in a Policy Review Report, which will be submitted by the VDOT P3 Office Director to the agency head.

Figure 3 below represents the steps to be taken during the Policy Review process.

Figure 3: Policy Review Process

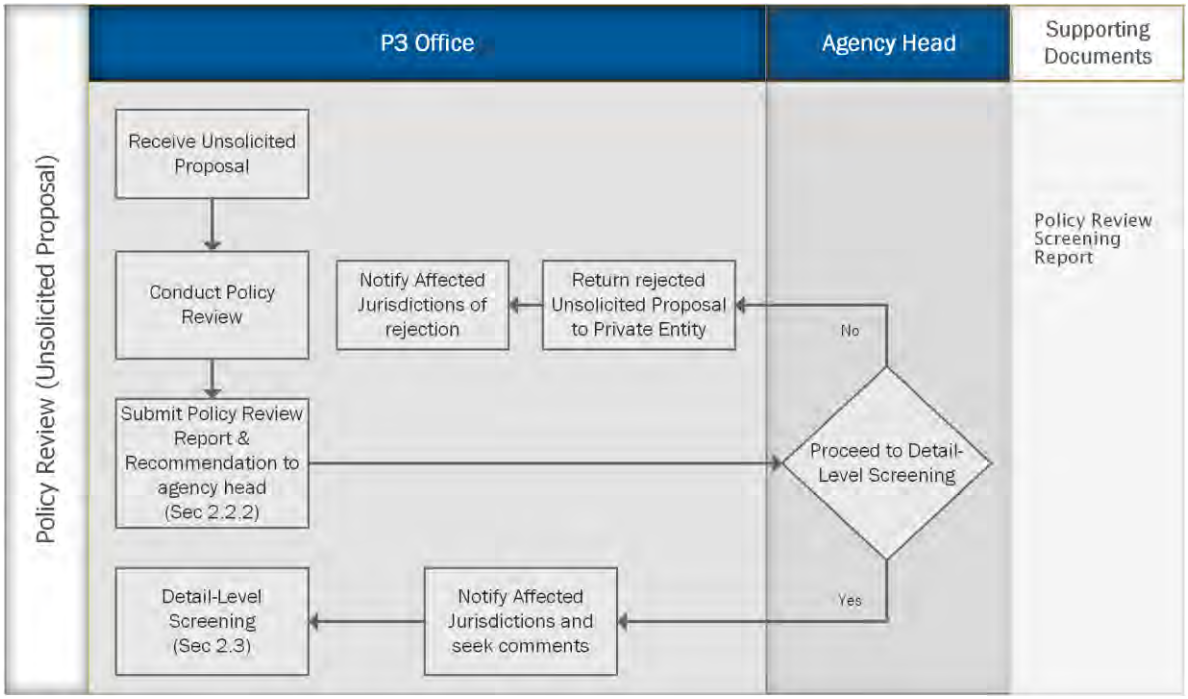


Table 2 provides guidance for the Policy Review criteria intended to assess whether an Unsolicited Proposal is a potential candidate P3 project.

Table 2: Policy Review Criteria for Unsolicited Proposals

Policy Review Criteria	
Policy Objectives	The Unsolicited Proposal conforms to the policy objectives and intent of the PPEA.
Timely Development	The Unsolicited Proposal satisfies a public need for timely development and operation of a Qualifying Project.
Demonstrated Need	The Unsolicited Proposal addresses a demonstrated need as identified by a state, regional, and/or local agency, or capital improvement plans.
Interface with Existing/Planned Systems	The Unsolicited Proposal interfaces with existing and planned systems.
Potential for Market Interest	The Unsolicited Proposal has the potential to generate market interest from other private sector entities.
Project Efficiencies	The Unsolicited Proposal would make the Qualifying Project available to the public in a more efficient and less costly fashion as compared to the traditional procurement method
Nonfinancial Considerations	Considerations of the nonfinancial benefits of a proposed Qualifying Project
Funding Requirement	The Unsolicited Proposal is consistent with federal requirements and potential agreements for federal funding and/or approval for P3 projects if required
Not on List of Solicited Projects	The Unsolicited Proposal is not currently on the list of proposed Solicited Projects.
Proposal Completeness	Does the Proposal contain the minimum required material and information listed in Va Code §56-575.4A?
Cost Benefit Analysis and Opportunity Cost Analysis Review	Does the Cost Benefit Analysis and Opportunity Cost Analysis submitted indicate a positive benefit to cost ratio and a favorable opportunity cost scenario? Are the assumptions used to generate the Cost Benefit Analysis and Opportunity Cost Analysis reasonable?

Within 10 calendar days of completing the Policy Review, the VDOT P3 Office will submit a Policy Review Report containing a recommendation to the agency head as to whether the Unsolicited Proposal meets the policy requirements and is compliant with applicable laws and this PPEA Manual and Guidelines. The agency head will then make the final determination as to whether the Unsolicited Proposal should advance to the Detail-Level Screening review.

If the VDOT P3 Office recommends that the Unsolicited Proposal does not meet the PPEA requirements and Policy Review criteria, or if the Unsolicited Proposal pertains to a project for which VDOT / DRPT plans to issue a solicitation, VDOT / DRPT may decide to return the Unsolicited Proposal and any unused portion of the Proposal Review Fee to the Private Entity that submitted it. The VDOT P3 Office Director will notify the Affected Jurisdiction(s) of the decision to reject the Unsolicited Proposal.

If the Unsolicited Proposal passes the Policy Review, the VDOT P3 Office Director may notify the Affected Jurisdiction(s) of the decision to proceed to the Detail-Level Screening and include a written request for

comments An Affected Jurisdiction is required by the PPEA to submit in writing any comments regarding the proposed project to VDOT / DRPT within 60 calendar days from the date of notification from the Private Entity regarding an Unsolicited Proposal.

2.3 Detail-Level Screening Process

The Detail-Level Screening criteria, found in Appendix F (Guidance on Detail-Level Screening Criteria) shall form the basis upon which the VDOT P3 Office determines the desirability and feasibility of delivering Qualifying Projects utilizing the P3 delivery method.

The VDOT P3 Office intends to evaluate Solicited Projects and Unsolicited Proposals against the same criteria wherever possible; however, due to differences in project characteristics across Qualifying Projects, screening criteria may be modified accordingly.

The steps to be taken for both Solicited Projects and Unsolicited Proposals through the Detail-Level Screening phase are summarized in the discussion below.

The VDOT P3 Office will conduct a Detail-Level Screening for Solicited Projects advancing through the High-Level Screening and Unsolicited Proposals advancing through the Policy Review. As part of the Detail-Level Screening, the VDOT P3 Office will assess each Solicited Project and Unsolicited Proposal for its feasibility as a P3 project. The VDOT P3 Office will capture the output of the Detail-Level Screening and summarize the results in a Detail-Level Screening Report for each Solicited Project or Unsolicited Proposal evaluated. The final report and recommendation will be presented by the VDOT P3 Office Director to the agency head. The agency head will either continue to advance the Solicited Project or Unsolicited Proposal or will withdraw it from further advancement. Withdrawn Solicited Projects may be re-submitted for consideration as a P3 project at a later date or implemented through traditional planning and procurement. Rejected Unsolicited Proposals are returned to the Proposer along with any remainder of the Proposal Review Fee. The VDOT P3 Office may notify the Affected Jurisdiction in writing of the agency head's decision.

2.4 Report to RPE Oversight Body

The VDOT P3 Office Director and the agency head will present a Project Fact Sheet (identification and screening phase) to the CTB and brief them on the results of the Detail-Level Screening Report and the planned duration of the P3 development and procurement at the next available scheduled public meeting of the CTB. An estimated budget to complete the project development activities will also be presented.

Once the Unsolicited Proposal is accepted in writing by the agency head, a notice of the Proposal's acceptance is posted within 10 working days (Va. Code § 56-575.17). Section 2.6 below elaborates on the posting of public notices for both Solicited Projects and Unsolicited Proposals.

For Unsolicited Proposals, VDOT / DRPT will provide notice of the agency's decision to move forward to the Private Entity and each Affected Jurisdiction identified in the Unsolicited Proposal.

The Project Fact Sheet developed in the identification and screening phase will be posted on the VDOT P3 Office website (https://p3.virginia.gov/) for public awareness and feedback.

Figure 4 below represents the steps to be taken during the Detail-Level Screening process for Solicited Projects:

Figure 4: Detail-Level Screening Process – Solicited Projects

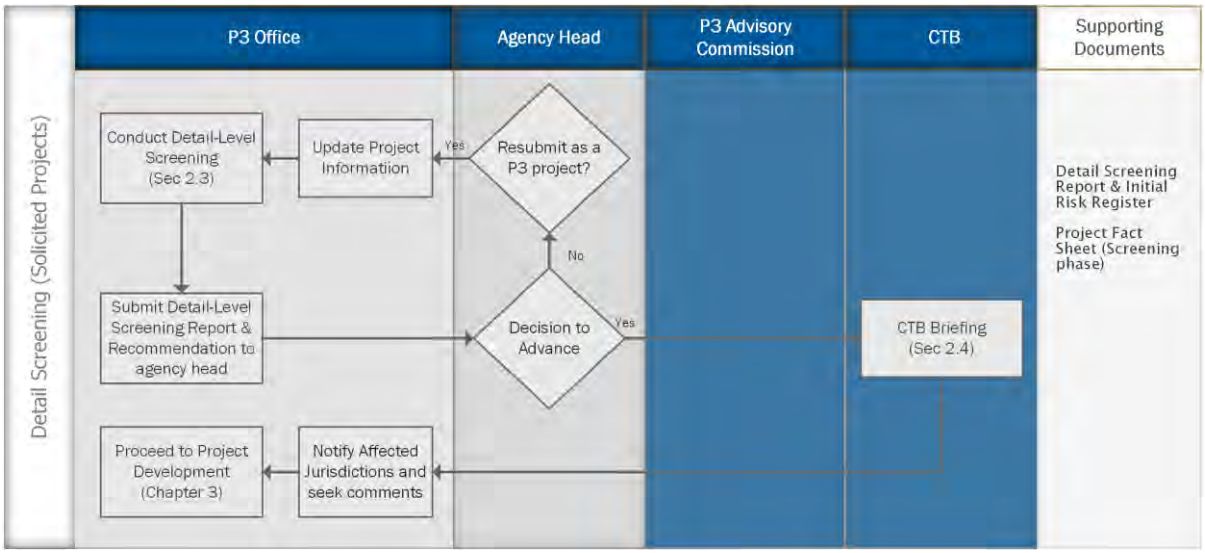
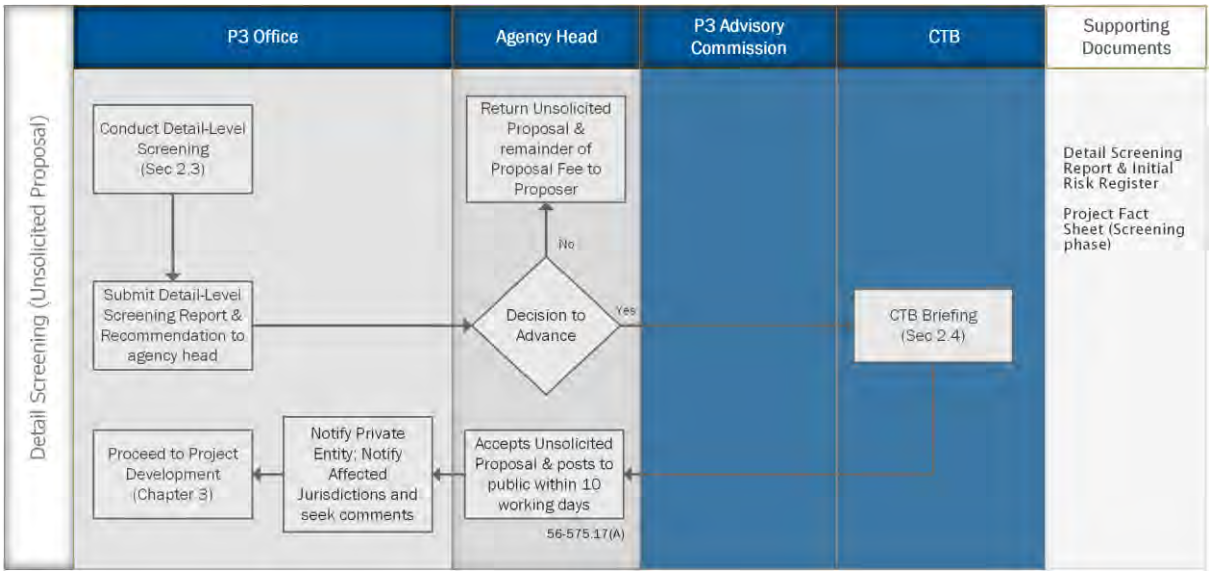


Figure 5 represents the steps to be taken during the Detail-Level Screening process for Unsolicited Proposals:

Figure 5: Detail-Level Screening Process – Unsolicited Proposals



2.5 Risk Assessment

As part of the Detail-Level Screening desirability and feasibility analysis, the VDOT P3 Office will convene an initial risk assessment exercise to identify and assess risks specific to the development of the project. This will typically take the form of a risk workshop where a risk register for the project is created. The risk register is a tool to capture risk information, consequences to scope, schedule, and cost, responses, and potential risk allocations. Other risk assessment approaches may be acceptable. Risks identified during this phase will be updated and refined as the project moves through subsequent phases of the Framework.

2.6 Public Notice for Solicited Projects and Unsolicited Proposals

The PPEA requires that the PPEA Guidelines include opportunities for competition through public notice and availability of representatives of the RPE to meet with Private Entities considering a proposal (Va. Code § 56-575.3:1(B)(1)). Representatives of the VDOT P3 Office are available throughout the process to meet with Private Entities including prior to submission of an Unsolicited Proposal (See Section 2.1.2) and after the draft RFP is posted (See Section 4.2.4).

In accordance with the afore-mentioned public notice requirement and with additional posting requirements of the PPEA (Va. Code § 56-575.17), Unsolicited Proposals will be posted by the VDOT P3 Office within 10 working days after having been accepted by the agency head. Responses to Solicited Projects will also be posted within 10 working days of acceptance by the agency head. Posting shall be on the Department of General Services centralized electronic procurement website and the VDOT P3 Office website: https://.P3.virginia.gov.

Public notice for an Unsolicited Proposal will also be completed in accordance with the PPEA (Va. Code § 56-575.3:1(B)(11), in that the posting and publishing of the public notice of a Private Entity's request for approval of an Unsolicited Proposal for a Qualifying Project will include the following:

- specific information and documentation to be released regarding the nature, timing, and scope of the Qualifying Project and information on the process and reasonable selection criteria to allow other Private Entities to respond with a competing Proposal;

- a reasonable time period as determined by the RPE to encourage competition and public-private partnerships in accordance with the objectives of the PPEA, such reasonable period will not be less than 45 calendar days, during which time VDOT / DRPT shall receive competing Proposals; and

- Advertisement of a public notice in the Virginia Business Opportunities publication and on the Commonwealth's electronic procurement website.

2.7 Key Action Items

Table 3: Key Action Items for High-Level Screening during Project Identification and Screening Phase

Project Identification and Screening Activity	Responsible Entity	Targeted Timeframe
High-Level Screening for Solicited Projects		
Initiate a Solicited Project	VDOT / DRPT	As appropriate
Produce High-Level Screening Report	VDOT P3 Office with District/Division assistance, as applicable	Within 30 calendar days of project identification
Submit High-Level Screening Report to agency head	VDOT P3 Office	Within 10 calendar days of completing the High-Level Screening Report
Agency head decision to proceed to Detail-Level Screening	Agency head	Within 10 calendar days of receiving a completed High-Level Screening Report

Table 4: Key Action Items for Policy Review during Project Identification and Screening Phase

Project Identification and Screening Activity	Responsible Entity	Targeted Timeframe
Policy Review for Unsolicited Proposals		
Submit Unsolicited Proposal to VDOT P3 Office and Notify Affected Jurisdiction (§56-575.6.A)	Private Entity	At any time
Produce Policy Review Report	VDOT P3 Office	Within 30 calendar days of receiving a copy of the Unsolicited Proposal from the Private Entity
Submit Policy Review Report to agency head	VDOT P3 Office	Within 10 calendar days of completing the Project Screening Report

Project Identification and Screening Activity	Responsible Entity	Targeted Timeframe
Agency head's decision to proceed to Detail-Level Screening	Agency head	Within 10 calendar days of receiving a completed Project Screening Report
Notify Affected Jurisdiction(s) of decision to proceed to Detail-Level Screening and seek comments or the decision to reject and return the Unsolicited Proposal	VDOT P3 Office	Within 10 calendar days of agency head's decision to proceed to Detail-Level Screening
Provide comments on Unsolicited Proposal	Affected Jurisdiction(s)	Within 60 calendar days from the date of notification by the Private Entity

Table 5: Key Action Items for Detail-Level Screening for Solicited Projects and Unsolicited Proposals during Project Identification and Screening Phase

Project Identification and Screening Activity	Responsible Entity	Targeted Timeframe
Detail – Level Screening for Solicited Projects and Unsolicited Proposals		
Conduct a Detail-Level Screening of Solicited Projects and Unsolicited Proposals	VDOT P3 Office	As appropriate
Prepare Project Fact Sheet and brief the CTB on the findings, the Project Fact Sheet and recommendation of Detail-Level Screening, and project development budget	VDOT P3 Office Director / agency head	At the next scheduled and available CTB meeting after agency head's decision - to advance the project to the project development phase
Post notification of accepted Unsolicited Proposal	VDOT P3 Office Director / agency head	Within 10 calendar days of agency head's acceptance of the Unsolicited Proposal (Va. Code § 56-575.17.A)

3 PROJECT DEVELOPMENT

This chapter describes the project development phase and related activities for P3 projects that are determined as Qualifying Projects and accepted by the VDOT / DRPT for development under the PPEA.

3.1 Project Development Process

In coordination with the VDOT / DRPT and with assistance from external advisors as necessary, the VDOT P3 Office project manager is responsible for getting the project ready for procurement. The VDOT P3 Office Director is responsible for maintaining appropriate coordination with other Agencies, elected officials and the CTB throughout the project development phase and for providing, as appropriate, project information such as budget, scope, and schedule, to the agency head.

The VDOT P3 Office's efforts will include, but not be limited to, developing the elements shown in **Table 6**.

Table 6: Examples of Key Tasks during the Project Development Phase

Key tasks undertaken during the project development phase, depending on the characteristics of the project.
▪ Further defining project scope, cost and schedule
▪ Determining compliance with environmental requirements
▪ Determining technical feasibility and operations and maintenance evaluations
▪ Determining the adequacy of the information to be included in the Proposals
▪ Submitting grant and funding applications, as required
▪ Performing public outreach
▪ Defining an approach to risk assessment
▪ Performing a Cost-Benefit Analysis and Opportunity Cost Analysis (Solicited Projects) or reviewing the Cost-Benefit and Opportunity Cost Analyses provided by the Private Entity (Unsolicited Proposals)
▪ Determining the optimal financial structure
▪ Soliciting information from private sector through Request for Information

At the discretion of the VDOT P3 Office and the agency head, a Request for Information (RFI) may be issued to obtain additional information and comment from the private sector and other interested stakeholders. Public briefings may also be arranged to further discuss elements of the project under consideration and include, or identify stakeholders for engagement, consultation and support. These forums offer opportunities for public comments and private sector input which improve or refine the scope of the project being developed.

3.2 Cost Benefit and Opportunity Cost Analyses

For Solicited Projects, once the project development work has reached a level to support initial Cost Benefit and Opportunity Cost analyses, the VDOT P3 Office will arrange for these analyses to be performed to provide both quantitative and qualitative information to VDOT / DRPT. Under this guideline document Unsolicited Proposals are required have an initial Cost Benefit Analysis provided at the time of submittal. The initial Cost Benefit Analysis will compare the total expected cost of a project against the total expected benefits, to see whether the benefits outweigh the costs, and by how much. The initial Opportunity Cost Analysis will evaluate potential returns on different investment options to determine the best use of limited public resources.

The output from these analytical tools allows the VDOT P3 Office and the agency head to determine a quantitative comparison in expended cost to benefits gained by continuing to invest in a project as a P3. VDOT P3 Office may undertake additional analyses and studies that may be considered in evaluating a potential Qualifying Project.

The CTB will be briefed on the results of the initial Cost Benefit and Opportunity Cost analyses before the project is advanced to the procurement phase.

The appropriate Cost Benefit and Opportunity Cost analyses methodologies will vary across Qualifying Projects.

3.3 Declaration of Public Purpose

During the project development phase, the VDOT P3 Office, in coordination with VDOT / DPRT, will prepare an Initial Declaration of Public Purpose (Initial DPP) document.

The Initial DPP will describe the scope and nature of the project; identify any risks to the project that have a high level of probability and/or potential costs; and identify any anticipated benefits to the Commonwealth and/or VDOT / DRPT related to the development and/or operation of the project in accordance with the PPEA (Va. Code § 56.575.1 et sec). In addition, the Initial DPP will include all relevant analyses and information supporting the use of a P3 delivery method with a statement that the agency head has a clear understanding regarding the elements included in the Initial DPP.

Once complete, the Initial DPP will be signed by the agency head and the Secretary of Transportation. The Initial DPP provides an affirmation that the P3 delivery method serves the public purpose of facilitating the timely development or operation a Qualifying Project.

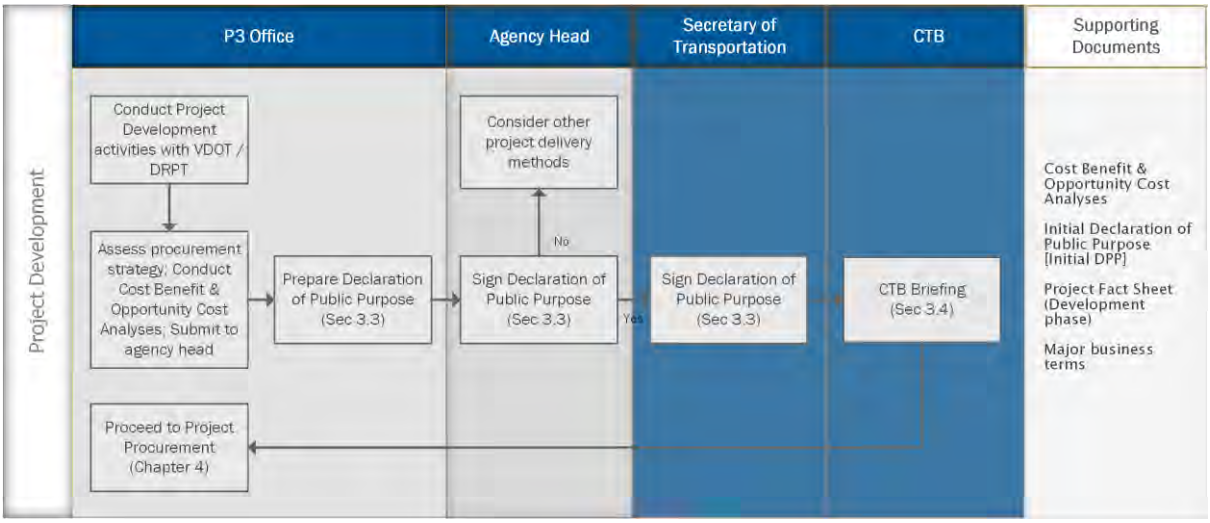
3.4 Report to RPE Oversight Body

At the conclusion of the P3 project development phase, the VDOT P3 Office Director and the agency head will present a Project Fact Sheet (development phase) to the CTB. The Project Fact Sheet will provide information on studies and activities such as: salient points emerging from an RFI process (if used); a preliminary schedule for project delivery; preliminary procurement documents; activities related to risk management for the project; Cost Benefit and Opportunity Cost analyses; preliminary estimation of the project cost; an initial estimate of the public subsidy for the project; any potential economic benefits, and the preliminary business points. The VDOT P3 Office Director and agency head will also present the Initial DPP signed by the Secretary of Transportation.

The Project Fact Sheet (development phase) is posted on the VDOT P3 Office website (www.P3.virginia.gov) for public awareness and feedback.

Figure 6 represents the steps during the project development process for P3 projects.

Figure 6: Project Development Process



3.5 Risk Assessment

During the project development phase, the VDOT P3 Office will convene and participate in a risk workshop to review the project risks previously identified in the Detail-Level Screening and identify any additional risks that may have become known as part of the project development phase. At this phase in the Framework a quantitative assessment of all identified risks is carried out; including appropriate risk assessment, risk response/treatment, preferred risk allocation and the commencement of a risk management plan.

3.6 Key Action Items

Table 7: Key Action Items for Project Development Phase

Project Development Activity	Responsibility	Targeted Timeframe
Perform project development activities (e.g., geotechnical testing, environmental, preliminary engineering, risk analysis, etc.)	VDOT / DRPT with assistance from the VDOT P3 Office project manager	Determined by project specific scope
Conduct Cost Benefit and Opportunity Cost Analyses (Solicted Projects) or Affirm the Analyses provided by the Private Entity (Unsolicited Proposals)	VDOT P3 Office	Determined by project specific scope
Update project risks and identify new project risks	VDOT P3 Office	Continuous through project development phase
Report to CTB	VDOT P3 Office Director / agency head	Determined by completion of project development activities

4 PROJECT PROCUREMENT

This chapter describes the procurement phase and provides guidance on related activities for projects that are determined to be Qualifying Projects and have been accepted by VDOT / DRPT for implementation under the PPEA. There are two ways to structure the procurement for a Qualifying Project: using a single-stage procurement, or a two-stage procurement. While the discussion below focuses on a two-stage P3 procurement, it may be more beneficial in certain cases (i.e. for less complex P3 projects) to use a single-stage procurement. For instance a single-stage procurement may be selected if it is determined that doing so is in the best interest of the Commonwealth. In either case, the VDOT P3 Office in coordination with VDOT / DPRT is responsible for leading the procurement process. Also in either case, the original Proposer of an Unsolicited Proposal may need to submit new documentation to the VDOT P3 Office in response to the requests issued during procurement.

4.1 Single-Stage PPEA Procurement Process

The single-stage procurement process requires Proposers to submit project specific information regarding qualifications and experience with their response to Request for Proposals (RFP). The Offeror's experience and qualifications are evaluated first; against project specific criteria. Based on the results of this evaluation, technical criteria related to the Qualifying Project are then evaluated and a determination is made regarding the selection of the best Proposal.

4.2 Two-Stage PPEA Procurement Process

The two-stage procurement process consists of issuing a Request for Qualifications (RFQ) and then a Request for Proposals (RFP).

The VDOT P3 Office serves as the primary point of contact for P3 procurements, in consultation with VDOT / DPRT and the Office of the Attorney General (OAG). The VDOT P3 Office will conduct a consistent, transparent and well-defined procurement process and will ensure that the process is administered in accordance with applicable law.

4.2.1 REQUEST FOR QUALIFICATIONS (RFQ)

The VDOT P3 Office initiates the first stage of the P3 procurement process by issuing the RFQ. The primary objective of the RFQ is to receive Statements of Qualifications (SOQ) to define a pool of qualified, potential Proposers for the project.

4.2.2 STATEMENT OF QUALIFICATIONS EVALUATION

The RFQ documents will specify the evaluation criteria and the methodology used to evaluate such criteria so that Proposers will know how their SOQs will be evaluated.

RFQ documents will be posted on the Department of General Services central procurement website (www.eva.virginia.gov), and the VDOT P3 Office website (www.P3.virginia.gov). These documents shall (1) provide for a minimum of 60-days to allow for competitive procurement and (2) include information

regarding the scope, nature and timing of development and/or operation of the proposed project. The public will have the opportunity to provide comments on a continuous basis by making use of the VDOT P3 Office website (www.P3.virginia.gov).

4.2.3 Short-Listing of Qualified Proposers

The VDOT P3 Office is responsible for reviewing, scoring, and ranking all responsive SOQs. Upon completion of the SOQ evaluation process, the VDOT / DRPT will make a recommendation to the agency head regarding which Proposers should advance to the RFP stage. Proposers that are confirmed by the agency head will be short-listed to advance to the RFP stage. While the agency head will make the final decision, it is expected that no more than four Proposers will be short-listed to advance to the RFP stage. Scoring of qualifications and any ranking of the SOQs will not be carried over to the evaluation of the final RFP responses.

Electronic copies of the public information included in the SOQs submitted by all Proposers will be posted on the VDOT P3 Office website (www.P3.virginia.gov) within 10 calendar days of the agency head's decision on which Proposers will advance to the RFP stage.

The VDOT P3 Office will notify all Proposers in writing whether they have been short-listed. Additionally, the VDOT P3 Office will inform other state and federal Agencies, Affected Jurisdictions, and stakeholders, as applicable.

If after the competitive response period there are no Proposers that submit SOQs for a particular RFQ, the VDOT P3 Office Director, in consultation with the agency head will seek information from private industry, through a meeting or other appropriate communications, to determine why the market was not more responsive to the RFQ. The scope may be modified taking into account the feedback from the private sector.

If VDOT / DRPT receives a single responsive submittal to its RFQ, then the VDOT P3 Office will conduct an evaluation and market assessment to determine if the responsive submittal brings benefit to the Commonwealth and/or VDOT / DRPT, or if the proposed procurement should be terminated. If it is found that the submittal does not bring value to the Commonwealth and/or VDOT / DRPT, the VDOT P3 Office may reissue a modified RFQ or re-procure the project at a later date after briefing the CTB to advance a modified procurement. Under these circumstances, VDOT / DRPT will make a presentation of its determination and why the modified procurement will be more competitive to the CTB. This presentation will be at a regularly scheduled meeting open to the public.

4.2.4 Request for Proposals (RFP)

Upon the determination of short-listed Proposers the RFP process begins. The RFP process optimizes competition among a short-listed group of qualified Proposers.

The VDOT P3 Office may choose to issue the RFP documents in draft format to short-listed Proposers and hold proprietary one-on-one meetings to solicit feedback on the proposed draft RFP including a draft CA. Once consideration has been given to the Proposer's feedback, the VDOT P3 Office will issue the final RFP documents to the short-listed Proposers. The VDOT P3 Office and other appropriate personnel comprising an Evaluation Team, will evaluate responses to the RFP from short-listed Proposers based on criteria defined in the RFP. The VDOT P3 Office reserves the right to run a Best and Final Offer (BAFO) process with the short-listed Proposers (see Appendix I for more details on the use of the BAFO process).

If after the competitive response period, VDOT / DRPT receives a single responsive submittal to its RFP, VDOT / DRPT will conduct a full benefit assessment of the Proposal received to determine if the responsive submittal brings benefit to the Commonwealth and/or VDOT / DRPT. The benefit assessment will include,

at a minimum, an assessment of risk allocations and the Cost Benefit and Opportunity Cost Analyses described in Section 4.5. Once these assessments have been completed, the VDOT / DRPT will make a presentation to the CTB regarding VDOT / DRPT's decision to accept the responsive Proposal or terminate the procurement. The VDOT / DRPT's presentation to CTB will be at a meeting which is open to the public.

Decisions related to payment of a stipend for the development and submittal of an RFP by responsive Short-Listed Proposers will be made by the agency head on a project specific basis and detailed in the RFP.

4.2.5 INTERIM AGREEMENT (IA)

The PPEA (§ 56.-575.9:1. of the Code of Virginia) allows an RPE to enter into an IA with a Private Entity or multiple Private Entities if the RPE determines in writing that it is in the public interest to do so.

In certain circumstances the agency head in consultation with the VDOT P3 Office Director, may choose to enter into an IA with the Private Entities proposing the development and/or operation of a Qualifying Project prior to and in connection with the finalization of a CA. All proposed IAs will be reviewed by the Commission and the CTB prior to execution.

4.3 Report to the Commission

An RPE receiving detailed Proposals from Private Entities for a Qualifying Project will provide copies of the Proposals to the Commission and Director of General Services for review and comment (per Virginia Code § 30-280(A)).

The following Qualifying Projects shall not be subject to review by the Commission (per Virginia Code § 30-280(B)):

1. Any proposed Qualifying Project with a total cost of less than $3 million; or

2. Any proposed Qualifying Project with a total cost of more than $3 million but less than $50 million for which funds have been specifically appropriated as a public-private partnership in the general appropriation act or capital construction projects that have been authorized in the appropriation act, provided such project does not increase in size more than five percent beyond the plans and justifications that were the basis of the appropriation. For any Qualifying Project that will be completed in phases and for which no appropriation has been made for phases other than the current phase of the project, the Commission may undertake additional reviews of such projects.

Accordingly, within 10 calendar days of receipt of a complete copy of the Proposals for a Qualifying Project, the Commission will determine whether to accept or decline such Proposals for review and notify VDOT / DRPT of its decision (§ 30-280(C)). If the Commission accepts a Proposal for review, the findings and recommendations of the Commission shall be provided to VDOT / DRPT within 45 calendar days of receiving complete copies of the Proposals. If no findings or recommendations are provided by the Commission to the VDOT / DRPTwithin the 45-day period, the Commission shall be deemed to have no findings or recommendations. Upon acceptance for review, VDOT / DRPT shall provide any additional information regarding the Qualifying Project upon the request of the Commission, provided such information is available or can be obtained by VDOT / DRPT.

The Commission will review accepted Proposals and provide findings and recommendations including:

- Whether the terms and conditions of the Proposals and proposed Qualifying Project create state tax-supported debt taking into consideration the specific findings of the Secretary of Finance with respect to such recommendation;

- An analysis of the potential financial impact of the Qualifying Project;
- A review of the policy aspects of the Proposals and the Qualifying Project; and
- Proposed general business terms and conditions.

Review by the Commission will not be construed to constitute approval of any appropriations necessary to implement any subsequent IA or CA (§ 30-280(D)). The VDOT / DRPT will not commence negotiation of an IA or CA until the Commission has submitted its findings and recommendations or the time has expired for the Commission to do so.

4.4 Basis for Award and Selection of Preferred Proposer

After the Commission has had the opportunity to review the Proposals and proposed IA or CA as described above in Section 4.2, the VDOT P3 Office will inform the Preferred Proposer that it has been selected. Pursuant to § 56-575.17(B) of the Code of Virginia, 30 calendar days prior to entering into an IA or CA, a public hearing will be held for public comment on the Proposals. The VDOT P3 Office also provides opportunities for public comment on the project and Proposals on a continuous basis by making use of the VDOT P3 Office and/or project website. The RFP, including the proposed CA will be posted to the VDOT P3 Office and/or project website. The VDOT P3 Office will notify all other Proposers in writing regarding the agency head's decision to award the project to the Preferred Proposer. The VDOT / DRPT will also provide a briefing to the CTB as noted in Section 4.9. Appropriate members of the General Assembly and other previously identified stakeholders will also be notified and briefed upon request.

4.5 Competition: Significant Scope Change Policy

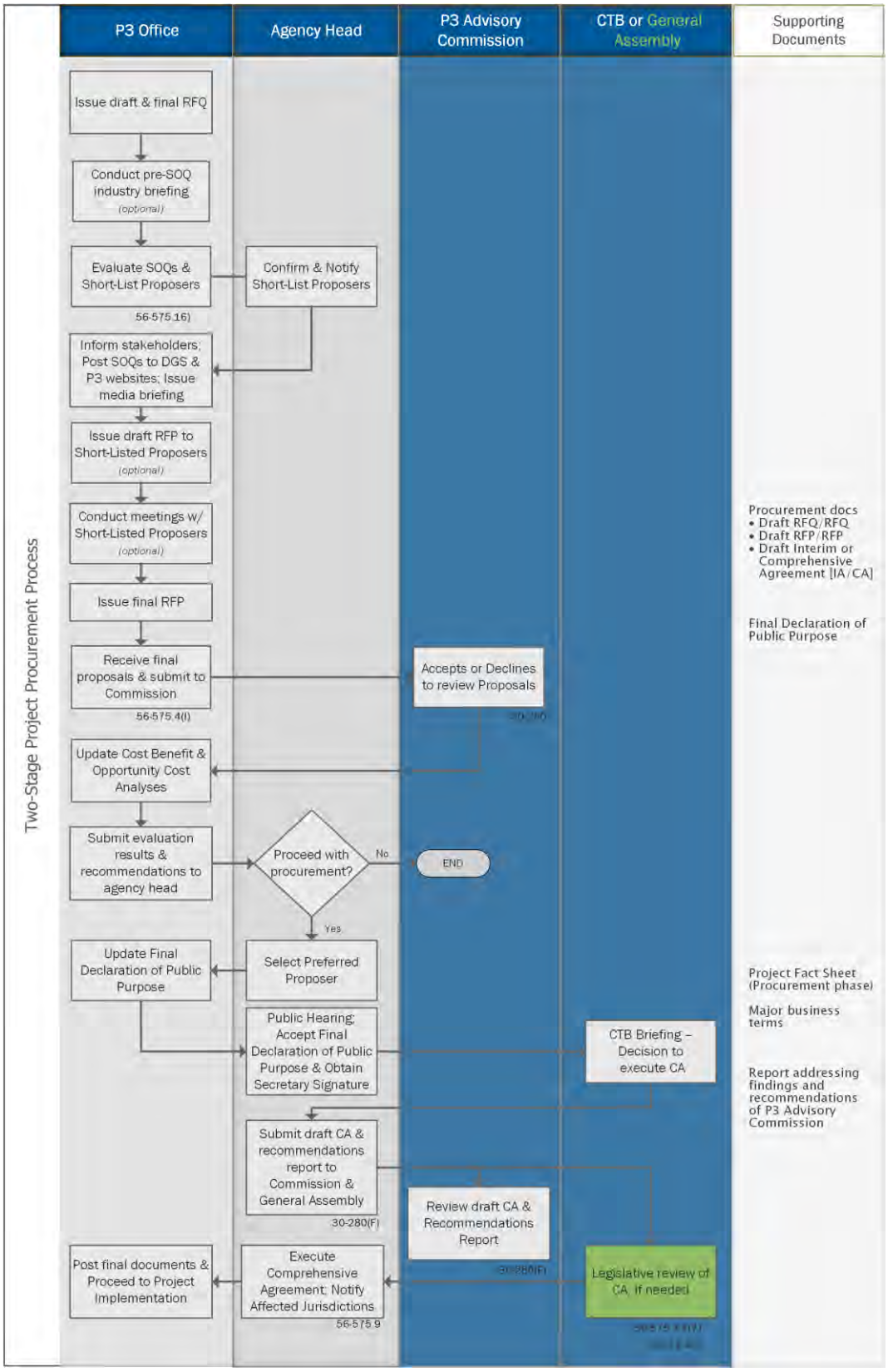
In an effort to enhance competition of the Qualifying Project, VDOT / DRPT will conduct an assessment to identify any significant scope changes. If the VDOT / DRPT, during the procurement of a P3 project, modifies the procurement documents in such a manner as to materially change the scope or alter the proposed delivery method, then the VDOT / DRPT shall conduct full Cost Benefit and Opportunity Cost Analyses of the current and proposed procurements. Once the Cost Benefit and Opportunity Cost Analyses have been completed, the VDOT / DRPT will make a presentation to the CTB to present the Cost Benefit and Opportunity Cost Analyses, reasons for the scope changes, and the VDOT / DRPT's decision to continue the procurement with the proposed material changes or terminate the procurement. The VDOT / DRPT's presentation to the CTB will be at a meeting which is open to the public.

4.6 Revisited Cost Benefit and Opportunity Cost Analysis

Prior to recommending the selection of the Preferred Proposer to the CTB, the VDOT P3 Office will revisit the Cost Benefit and Opportunity Cost Analyses and update them accordingly, taking into account any additional project information that has become available since the initial Cost Benefit and Opportunity Cost Analyses (as described in Section 3.2) were performed. The agency head will consider the recommendation of the VDOT P3 Office, the evaluation criteria and the results of the Cost Benefit and Opportunity Cost Analyses when selecting a Preferred Proposer. The results are provided in the briefing given by the VDOT P3 Office Director and the agency head to the CTB.

Figure 7 represents the two-stage PPEA procurement process.

Figure 7: Two-Stage PPEA procurement



4.7 Risk Management

During the project procurement phase, the VDOT P3 Office will convene and participate in a risk workshop to refresh the risk register, confirm the project risk allocation and update the risk management plan. The VDOT P3 Office Director certifies the risk management plan and the agency head endorses the final risk management plan for application during the implementation stages of the project.

4.8 Final Declaration of Public Purpose

During the project procurement phase, the VDOT P3 Office will prepare a Final Declaration of Public Purpose (Final DPP) document for the signature of the agency head and the Secretary of Transportation. This is a reaffirmation that the P3 delivery method is consistent with the intent of the Initial DPP and continues to bring benefit and serves the public purpose of the Commonwealth and/or the VDOT / DRPT. The Final DPP is presented to the CTB along with the major business points of the CA as described in Section 4.8.

4.9 Report to RPE Oversight Body

Near the conclusion of the P3 project procurement phase and the VDOT / DRPT's selection of the Preferred Proposer has been completed, the VDOT P3 Office Director and the agency head will present a Project Fact Sheet (procurement phase) to the CTB. The CTB will be briefed on: the Final DPP; updated schedule for project delivery; the CA documents; the updated risk management report; the final Cost Benefit and Opportunity Cost Analyses; the projected final project cost; including the projected public contribution for the project (if applicable); the updated Cost Benefit and Opportunity Cost Analyses and the final major business points.

The Project Fact Sheet (procurement phase) is posted on the VDOT P3 Office website and/or project dedicated website for public awareness. The agency head and the VDOT P3 Office Director will notify and brief the Chairs of the House and Senate Committees as appropriate. Other members of the General Assembly and stakeholders will be notified and briefed upon request and as appropriate.

4.10 Appropriating Body Review

In accordance with Virginia Code § 56-575.4(J), before any IA or CA is executed, the proposed CA for a Qualifying Project will be submitted for Appropriating Body review if it: :

- creates a tax-supported debt,
- requires a level of appropriation significantly beyond the appropriation received by the RPE in the most recent appropriation act, or
- significantly alters the Commonwealth's discretion to change the level of services or funding the services provided by the Qualifying Project over time.

The the agency head and the VDOT P3 Office Director will submit the proposed CA to the Appropriating Body for review, including in the submitted briefing discussion of the above conditions.

4.11 Contract Finalization and Award

Prior to developing and/or operating a Qualifying Project, the successful Proposer must enter into a CA with the VDOT / DRPT. The agency head has the statutory authority to enter into the CA, as applicable, pursuant to the PPEA.

The VDOT/DRPT shall submit a copy of the proposed IA or CA to the Commission, the chair of the House Committee on Appropriations, House Committee on Finance, and Senate Committee on Finance and Appropriations or their designees, and the Director of the Department of General Services at least 30 calendar days prior to execution of the Agreement along with a report describing the extent to which the Commission's recommendations, as outlined in Section 4.2, were addressed in the proposed IA or CA. (See Va. Code §30-280(F))

The VDOT / DRPT will initiate the contract finalization and award process by issuing a list of open issues and matters for the parties to resolve and an anticipated timeline for completion.

In accordance with Virginia Code § 56-57.17(B), VDOT / DRPT will hold a public hearing on the proposal at an appropriate time during the proposal review process but not later than 30 days prior to executing an IA or CA.

Once the contract is finalized and executed, the VDOT / DRPT will post major business points of the CA, including any public funds used on the Qualifying Project and the proposed CA documents on the VDOT P3 Office website, and/or project dedicated website.

4.12 Key Action Items

Table 8: Key Action Items for Project Procurement Phase

Project Procurement Activity	Responsibility	Targeted Timeframe
Release of RFQ	VDOT P3 Office	Released after CTB briefing to proceed from project development phase to project procurement phase
Post RFQ to Department of General Services central procurement website and VDOT P3 Office project website	VDOT P3 Office	45-120 calendar day duration for Unsolicited Proposals 60 calendar day duration for Solicited Projects
Develop RFP documents	VDOT P3 Office	Completion targeted for 120 calendar days after release of RFQ
Evaluate responses and short-list qualified Proposers	VDOT P3 Office	Completion targeted for 60 calendar days after receipt of SOQ
VDOT / DRPT approves Short-Listed Proposers	VDOT / DRPT	Within 10 calendar days of completion of SOQ evaluation
Short-Listed Proposers announced	VDOT P3 Office	Within 10 calendar days of VDOT / DRPT approval of Short-Listed Proposers
Release RFP	VDOT P3 Office	Release targeted for 30 calendar days after completion of SOQ evaluation

Project Procurement Activity	Responsibility	Targeted Timeframe
Request comments from Affected Localities	VDOT P3 Office	Within 10 calendar days of release of the RFP
Comments received from Affected Localities	VDOT P3 Office	60 calendar days after request for comments by VAP3
Evaluate the RFPs	VDOT P3 Office / Evaluation Team	Completion targeted for 90 calendar days after receipt of RFP
Revisit Cost Benefit and Opportunity Cost analyses	VDOT P3 Office	Completion targeted for 30 calendar days after completion of evaluation of RFPs
Report to the Commission and provide copies of detailed proposals (§ 30-280(A))	VDOT P3 Office Director and agency head	Targeted for 60 calendar days after completion of RFP evaluation.
Select a Preferred Proposer	Agency head	Targeted for 90 calendar days after receipt of RFP
Report to CTB on selection of Preferred Proposer	VDOT P3 Office Director and agency head	Determined by completion of project procurement activities and timing of next public meeting
Confirm Commission's recommendations are addressed in proposed IA or CA and prepare report	VDOT P3 Office	At least 30 calendar days before execution of IA (if needed) and/or CA
Appropriating Body reviews CA (when 56-575.4(J) is applicable)	General Assembly	Prior to execution of the CA
Commission, House/Senate Committees and Department of General Services Reviews CA and recommendations report	Commission, DGS, VDOT P3 Office Director and agency head	At least 30 calendar days before execution of IA (if needed) and/or CA
Hold Public Hearing	VDOT / DRPT	Not later than 30 calendar days prior to executing IA or CA
Finalize and Award the Contract	VDOT / DRPT	At least 30 calendar days after Public Hearing and delivering proposed CA to required parties

5 PROJECT IMPLEMENTATION

This chapter provides general guidance on activities that may be appropriate after the P3 project's Comprehensive Agreement is executed; the P3 project is constructed or in service and, if applicable, during Operations and Maintenance. Applicable activities rely heavily on the specific type of Qualifying Project that is delivered under the PPEA and whether there are ongoing terms to operate and maintain the P3 project after construction or installation is complete and the project is in service.

5.1 Post-Commercial Close

Once a Comprehensive Agreement is executed for a P3 project by the agency head and Preferred Proposer (Commercial Close), the VDOT P3 Office begins preparing for the transition from leading project procurement to supporting the responsible VDOT District/Division or DRPT project manager leading the project's implementation.

During this transition phase, the VDOT P3 Office will also continue to lead coordination efforts related to achieving Financial Close. Activities leading to Financial Close may include coordinating with financial institutions, outreach to bonding agencies, and confirmation of available federal and State funding.

5.2 Post-Financial Close

After Financial Close is reached, project design and construction begin with leadership from the VDOT District/Division or DRPT project manager. The VDOT P3 Office project manager assumes an active supporting role during this phase, assisting with contract interpretations, documentation submittals, etc.

A checklist will be developed by the VDOT P3 Office to ensure that appropriate parties receive timely submittals or evidence of commitments addressed as stipulated in the Comprehensive Agreement, and other contract documents.

A repository will also be identified during the project procurement phase to house all appropriate project documentation. This will continue to be maintained during the project implementation phase by submittals of documentation to the VDOT P3 Office.

5.3 Operations and Maintenance

If the project is a VDOT P3 project and the Comprehensive Agreement includes ongoing terms for the Preferred Proposer to operate and maintain the P3 project after construction is complete, the VDOT P3 Office begins preparing for the transition to a more active oversight role that may begin after construction is completed. Once the P3 project begins operating, the VDOT District/Division project manager and VDOT P3 Office may have shared responsibility in assuring compliance with the terms of the Comprehensive Agreement and related contract documents.

During this transition phase, the VDOT P3 Office will work closely with the VDOT District/Division project manager and the Private Entity to configure the VDOT P3 Office's electronic Strategic Contract Management System (SCMS) with the data necessary to track recurring and one-time tasks, triggered events, performance shortfalls, and significant payments during the operating period per the terms of the Comprehensive Agreement. If the Comprehensive Agreement includes terms for assessing non-compliance points during the construction period, this functionality can be configured in the SCMS and launched when construction begins.

5.4 Lessons Learned

It is recommended to conduct lessons learned sessions at the end of each phase of project development, procurement, and implementation to identify comments and recommendations that add value to future projects and document and share findings.

5.5 Key Action Items

Project Implementation Activity	Responsibility	Targeted Timeframe
Coordination to reach Financial Close	VDOT P3 Office	6 to 9 months after award
Support District/DRPT implementation of the Comprehensive Agreement	VDOT P3 Office	Ongoing after Financial Close
Lessons Learned Workshop	VDOT P3 Office / VDOT District/DRPT	60 days after Financial Close/after project completion
Document Control database	VDOT P3 Office/VDOT District/DRPT	Begin during Project Procurement & continued until project completion
If there are ongoing terms for the Preferred Proposer to operate and maintain the project after construction is complete, configure SCMS to track recurring and one-time tasks, triggered events, and performance shortfalls during the operating period per the terms of the Comprehensive Agreement	VDOT P3 Office/VDOT District/DRPT	Begin during construction and launch after construction is complete
Performance Monitoring *(if applicable)*	VDOT P3 Office/ VDOT District/DRPT	As stipulated in CA

APPENDICES TABLE OF CONTENTS

Appendix A – PPEA Definitions

Appendix B – Rights and Disclaimers

Appendix C – P3 project Delivery Framework Flowchart

Appendix D – Guidance on Approach to Commercial Terms

Appendix E – Guidance for Unsolicited Proposal Preparation

Appendix F – Guidance on Detail-Level Screening Criteria

Appendix G – Guidance for the RFQ Process

Appendix H – Guidance for the RFP Process

Appendix I – Legislative and Legal Terms

Appendix J – Confidentiality and Security of Information

Appendix K – PPEA Manual and Guidelines Statutory Cross-Reference

Appendix A -PPEA Guidelines Definitions

Provided below are terms used in this PPEA Manual and Guidelines.

Acronym	Definition
CA	Comprehensive Agreement
agency head	Chief Executive Officer
CFO	Chief Financial Officer
CTB	Commonwealth Transportation Board
DGS	Department of General Services
DPP	Declaration of Public Purpose
DRPT	Virginia Department of Rail and Public Transportation
FHWA	Federal Highway Administration
OAG	Office of Attorney General
P3	Public-Private Partnership
PPEA	Public-Private Education Facilities and Infrastructure Act of 2002 (as amended)
RFI	Request for Information
RFP	Request for Proposals
RFQ	Request for Qualifications
RRIF	Railroad Rehabilitation and Improvement Financing
SFAC	Senate Finance and Appropriations Committee
SCMS	Strategic Contract Management System
SOQ	Statement of Qualifications
VDOT	Virginia Department of Transportation
VFOIA	Virginia Freedom of Information Act

These definitions are applicable to all guidance documentation published by the Virginia Department of Transportation Office of Public-Private Partnerships. Terms below that are defined in Virginia Code § 56-575.1, or elsewhere by statute, are repeated here for convenience, but the statutory definitions govern.

- **Affected Jurisdiction** means any county, city or town in which all or a portion of a Qualifying Project is located.

- **Agency** means VDOT or DRPT.

- **Agency head** – Subject to the oversight of other officials and entities provided by law, each agency's agency head has the responsibility and authority to make decisions on the P3 project delivery model, including business and contractual terms related to the P3 projects. At VDOT, the agency head is the Commissioner of Highways; at DRPT, the agency head is the Director

- **Appropriating Body** means the body responsible for appropriating or authorizing funding to pay for a Qualifying Project.

- **Commission** means the Public-Private Partnership Advisory Commission.

- **Comprehensive Agreement** means the Comprehensive Agreement between the Private Entity and the RPE, required by § 56-575.9 of the Code of Virginia.

- **Cost-Benefit Analysis** means an evaluation tool comparing proposed Total Benefits to the proposed Net Total Cost of a Qualifying Project, required by § 56-575.3:1(5) of the Code of Virginia. The evaluation provides information to decision-makers on whether a Qualifying Project is worth pursuing to procurement.

- **Evaluation Team** means a team made up from individuals representing VDOT P3 Office and/or DRPT for the purpose of evaluation of Statements of Qualifications or Proposals submitted during the procurement phase.

- **Hard Benefits** means the benefits of a Qualifying Project with independent, fact based, easily measurable and easy to prove results of reduced cost or increased revenue at designated times throughout the project.

- **Hard Benefits ROI Ratio** means the Return on Investment received for the Hard Benefits of a Qualifying Project. This ratio is expressed as a percent and is calculated by taking total Hard Benefits and dividing by the Net Total Cost of the Qualifying Project times 100.

- **Initial Declaration of Public Purpose (Initial DPP)** means a document prepared by the VDOT P3 Office and VDOT / DRPT, wherein the Commissioner/Director affirms that the P3 delivery method serves the public purpose of the Commonwealth or VDOT / DRPT.

- **Interim Agreement** means an agreement between a Private Entity and a VDOT / DRPT that provides for phasing of the development or operation, or both, of a Qualifying Project. Such phases may include, but are not limited to, design, planning, engineering, environmental analysis and mitigation, financial and revenue analysis, or any other phase of the project that constitutes activity on any part of the Qualifying Project.

- **Net Total Costs –**means the project costs minus any revenue generation for the term of the Qualifying Project Comprehensive Agreement.

- **Opportunity Cost Analysis –** means an evaluation tool that compares the Qualifying Project with the next best alternative that was not chosen, required by § 56-575.3:1(5) of the Code of Virginia. The opportunity cost analysis is what action you would have taken if you didn't make the choice you did. The evaluation provides information to decision-makers demonstrating if the proposed Qualifying Project is worthwhile in pursuing and has inherent value that is greater than the next best alternative.

- **PPEA** means the Public-Private Education Facilities and Infrastructure Act of 2002, as amended, Chapter 22.1 of Title 56 of the Code of Virginia, statute governing RPEs entering into agreements authorizing Private Entitles to develop and/or operate Qualifying Projects.

- **P3 Project Delivery Framework (Framework)** means the Commonwealth's structured project identification, screening, development and procurement process designed to assist in the evaluation and selection of Qualifying Projects in which projects must pass through a series of decision points in order to progress towards final approval and contract award.

- **Preferred Proposer** means the Private Entity selected during the procurement process to perform the services described in the RFP documents issued by the VDOT P3 Office, in coordination with the VDOT/DRPT.

- **Private Entity(ies**) means any natural person, corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, non-profit entity, special purpose vehicle, or other business entity.

- **Procurement** means the acquisition of goods, services, or works from a Private Entity

- **Project Cost** means the measurement of all costs associated with the project, including all construction, routine and full lifecycle maintenance costs for the term of the Comprehensive Agreement of the Qualifying Project.

- **Proposal** means the documents submitted by a Proposer in response to an RFP issued by the VDOT P3 Office, in coordination with VDOT/DRPT.

- **Proposal Review Fee** means the non-negotiable fee to be remitted to VDOT/DRPT with the submission of an Unsolicited Proposal.

- **Proposer** means the Private Entity participating in the procurement process for either a Solicited or Unsolicited Proposal for a PPEA project in response to an RFQ or RFP issued by the VDOT P3 Office in coordination with the VDOT / DRPT.

- **Public Entity** means the Commonwealth and any agency or authority thereof, any county, city or town and any other political subdivision of the Commonwealth, any public body politic and corporate, or any regional entity that serves a public purpose. For the purposes of these Guidelines, the Public Entity is either VDOT or DRPT.

- **Public-Private Partnership (P3)** means a project or service which is funded and operated through a partnership of government and one or more Private Entities. In Virginia, the PPEA is the legislative framework that enables P3 agreements for Qualifying Projects defined by the PPEA.

- **Public-Private Partnership Advisory Commission** (or Commission) means an advisory commission in the legislative branch that will advise VDOT / DRPT on Proposals received pursuant to the **PPEA**. See Chapter 42 of Title 30 of the Code of Virginia.

- **Public Subsidy** means the amount of funds committed to the project by the Agency.

- **Qualifying Project** means (i) any education facility, including, but not limited to a school building, any functionally related and subordinate facility and land to a school building (including any stadium or other facility primarily used for school events), and any depreciable property provided for use in a school facility that is operated as part of the public school system or as an institution of higher education; (ii) any building or facility for principal use by any Public Entity; (iii) any improvements, together with equipment, necessary to enhance public safety and security of buildings to be principally used by a Public Entity; (iv) utility and telecommunications and other communications infrastructure; or (v) a recreational facility; (vi) technology infrastructure, services, and applications, including, but not limited to, telecommunications, automated data processing, word processing and management information systems, and related information, equipment, goods and services; (vii) Any services designed to increase the productivity or efficiency of the RPE through the use of technology or other means; (viii) any technology, equipment, or infrastructure designed to deploy wireless broadband services to schools, businesses, or residential areas; (ix) any improvements necessary or desirable to any unimproved locally- or state-owned real estate; or (x) any solid waste management facility that produces electric energy derived from solid waste.

- **Revenues** means all revenues, income, earnings, User Fees, Lease Payments, or other service payments arising out of or in connection with supporting the development and/or operation of a Qualifying Project, including without limitation, money received as grants or otherwise from the United States of America, from any Public Entity, or from any agency or instrumentality of the foregoing in aid of a Qualifying Project.

- **RFP** means the documents constituting the Request for Proposals and identifying the P3 Project, the work to be performed and materials to be furnished, in response to which a Proposer may submit a Proposal.

- **RFQ** means the documents constituting the Request for Qualifications issued for a P3 Project by the VDOT P3 Office.

- **Responsible Public Entity (RPE) means** the Commonwealth and any agency or authority thereof, any county, city or town and any other political subdivision of the Commonwealth, any public body politic and corporate, or any regional entity that has the authority to develop and/or operate an applicable Qualifying Project in accordance with the PPEA. **Agency Head** means the Commissioner, Director or the Chairman of the Board of Commissioners who is responsible for making decisions for his/her respective Department, or Agency. For these guidelines, the RPE is either VDOT or DRPT.

- **Return on Investment (ROI)** means the benefit received from an investment in a Qualifying Project. A high ROI means the investment compares favorably to investment cost. As a performance measure, ROI is used to evaluate the effectiveness of an investment or to compare the effectiveness of a number of different investments.

- **Short-Listed Proposer** means the Proposers that have been selected to advance to the RFP stage of the PPEA procurement process.

- **Soft Benefits** means benefits which are difficult to define, for which no positive confirmation is possible and have more qualitative than quantitative results. These benefits are more complex and the basis of the assumptions are easy to challenge.

- **Soft Benefits ROI Ratio** means the Return on Investment received for the Soft Benefits of a Qualifying Project. This ratio is expressed as a percent and is calculated by taking total Soft Benefits and dividing by the Net Total Cost of the Qualifying Project times 100.

- **Solicited Project** means a project initiated by an RPE.

- **SOQ** means the documents constituting the Statement of Qualifications and supporting information, including all clarifications thereto, submitted by Proposers in response to RFQs issued by the VAP3.

- **State** means the Commonwealth of Virginia.

- **Total Benefits –** means the total Hard Benefits plus the total Soft Benefits.

- **Total Benefits ROI Ratio** means the Return on Investment received for the Total Benefits of a Qualifying Project. This ratio is expressed as a percent and is calculated by taking Total Benefits and dividing by the Net Total Cost of the Qualifying Project times 100.

- **Total Costs –** means all costs including all procurement, risk adjustments costs, construction, routine maintenance and full lifecycle maintenance.

- **Unsolicited Proposal** means a Proposal to develop and/or operate a Qualifying Project submitted by a Private Entity not in response to an RFQ or RFP.

- **User Fees** mean the rates, fees or other charges imposed by the Private Entity of a Qualifying Project for use of all or a portion of such Qualifying Project pursuant to the Comprehensive Agreement pursuant to Va. Code § 56-575.9.

- **VDOT P3 Office** means the Virginia Department of Transportation Office of Public-Private Partnerships which is responsible for developing, implementing and administering the procurement of P3 Projects for VDOT and DRPT.

- **VDOT P3 Office Director** means the highest-ranking individual within the VDOT P3 Office responsible for overseeing all aspects of the P3 Program.

- **Virginia Department of Rail and Public Transportation (DRPT)** is a state agency headed by a Director and reporting to the Secretary of Transportation. *See* Virginia Code § 33.2-282

- **Virginia Department of Transportation (VDOT)** is a state agency headed by the Commissioner of Highways and reporting to the Secretary of Transportation. *See* Virginia Code § 33.2-256

Appendix B- Rights and Disclaimers

Rights Reserved

The VDOT P3 Office in coordination with VDOT / DRPT, reserves all rights available by law in processing PPEA Proposals, including, without limitation, the sole and unfettered right to:

1. Alter the schedule of review or scope of evaluation, including components thereof, of any procurement document if changes are deemed necessary because of the scope or complexity of a Qualifying Project they receive;

2. Reject any and all Proposals at any time;

3. Terminate evaluation of any and all Proposals or Qualifying Projects at any time;

4. Suspend, discontinue and/or terminate Interim or Comprehensive Agreement negotiations with any Proposer at any time prior to the actual authorized execution of such agreement by all parties, subject to appropriate documentation;

5. Negotiate with a Proposer without being bound by any provision in the Proposal;

6. Request or obtain additional information about any Proposals;

7. Waive minor errors, omissions or irregularities in a response to an RFQ or RFP;

8. Issue addenda to, and/or cancel, any RFQ or RFP;

9. Revise, supplement or withdraw all or any part of the guidelines included in this PPEA Manual and Guidelines;

10. Decline to return any and all fees required to be paid by Private Entities as part of the evaluation process for Unsolicited Proposals;

11. Request clarifications to Unsolicited Proposals;

12. Request an updated proposal and SOQ that meets the requirements of competing proposals when an Unsolicited Proposal is accepted; and

13. Modify the process and submission requirements for reviewing Proposals in connection with a re-sale, re-tendering, transfer or other disposition of a project pursuant to the provisions of an existing Comprehensive Agreement.

Disclaimers and Conditions for Submissions under the PPEA

Neither the Commonwealth nor any of its political subdivisions, agencies, or employees shall be liable for, or reimburse, the costs incurred by Proposers or Proposers, whether or not selected for negotiations, in developing and submitting Proposals or in negotiating agreements.

Any and all information made available to Proposers and Proposers is made for convenience purposes only and is without representation or warranty of any kind.

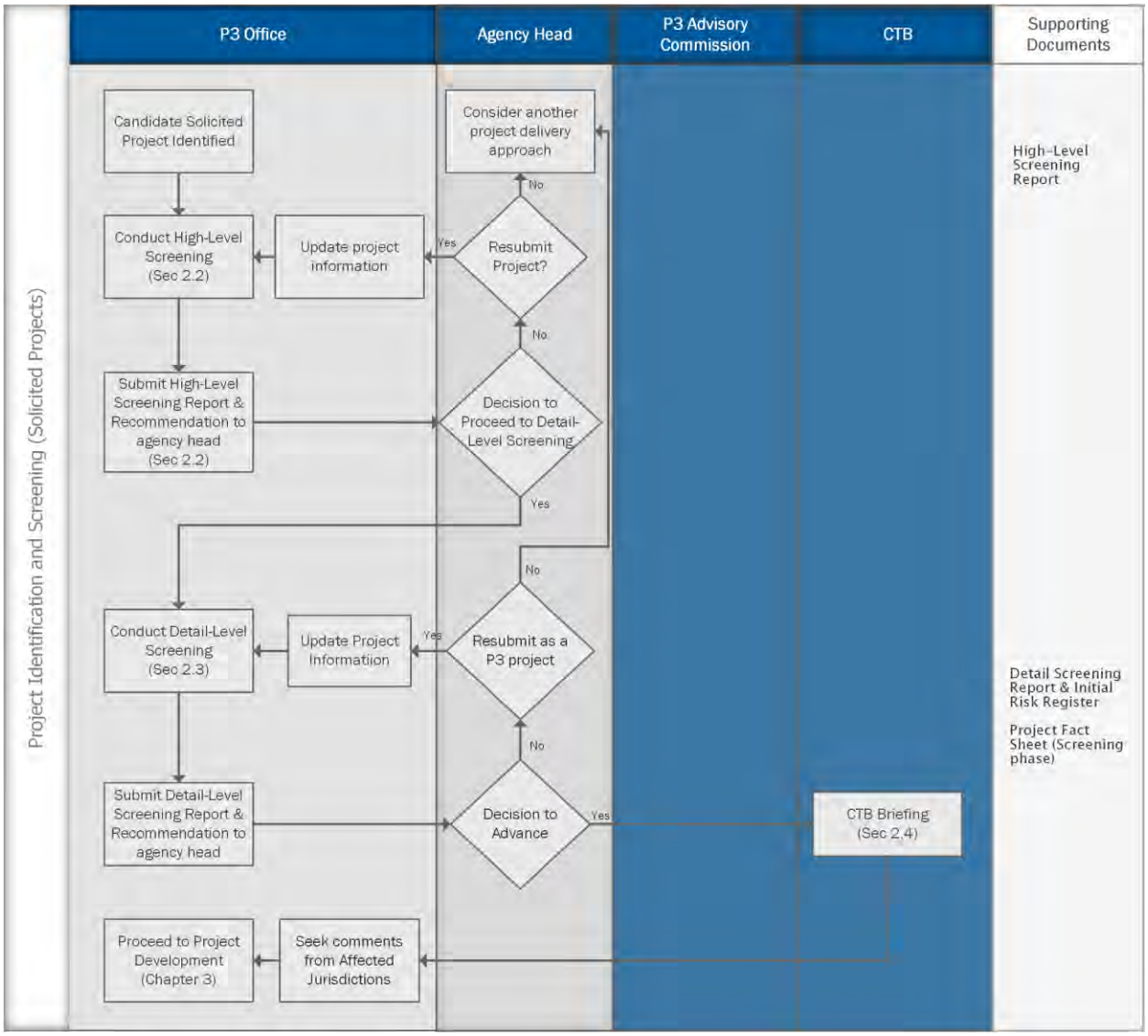
Proposers and Proposers must submit questions concerning the PPEA process in writing to the point of contact referenced in the procurement documents, which will coordinate a response in writing; Proposers may not rely on oral responses to inquiries.

Virginia law governs, and generally requires, disclosure of procurement and contract records after the completion of the procurement or contract. It is the responsibility of a Private Entity to comply with Virginia law, including satisfying the requirements for withholding of certain, specifically identified information. *See* Virginia Code § 2.2-3705.6(11). The Commonwealth, the Secretary of Transportation, the VDOT P3 Office Director or the agency head shall not be liable to a Proposer for the disclosure of all or a portion of a response to RFQ, RFP or a Proposal submitted pursuant to this PPEA Manual and Guidelines.

Appendix C - P3 Project Delivery Framework Flowcharts

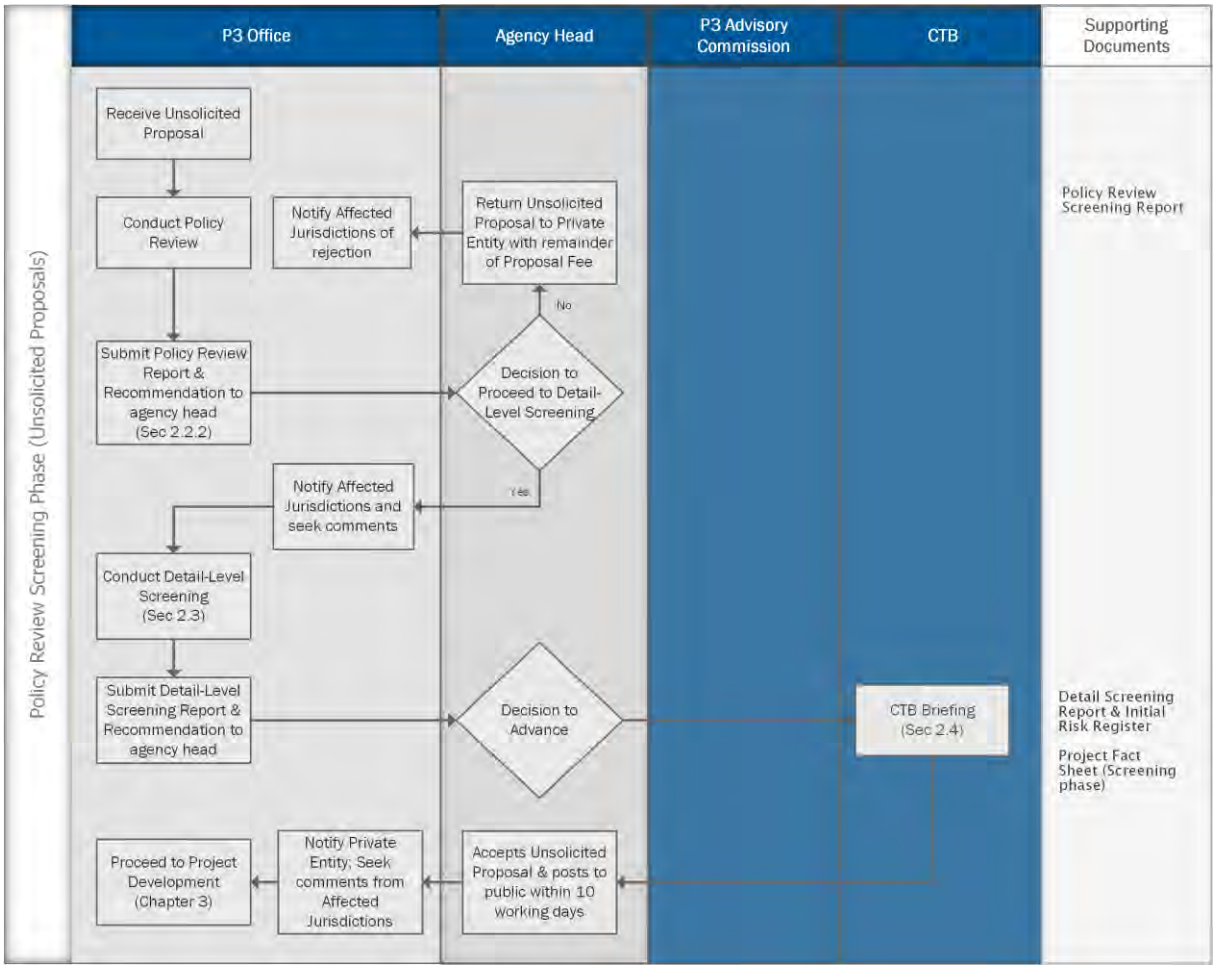
PPEA Framework for Solicited Projects

Project Identification and Screening Phase



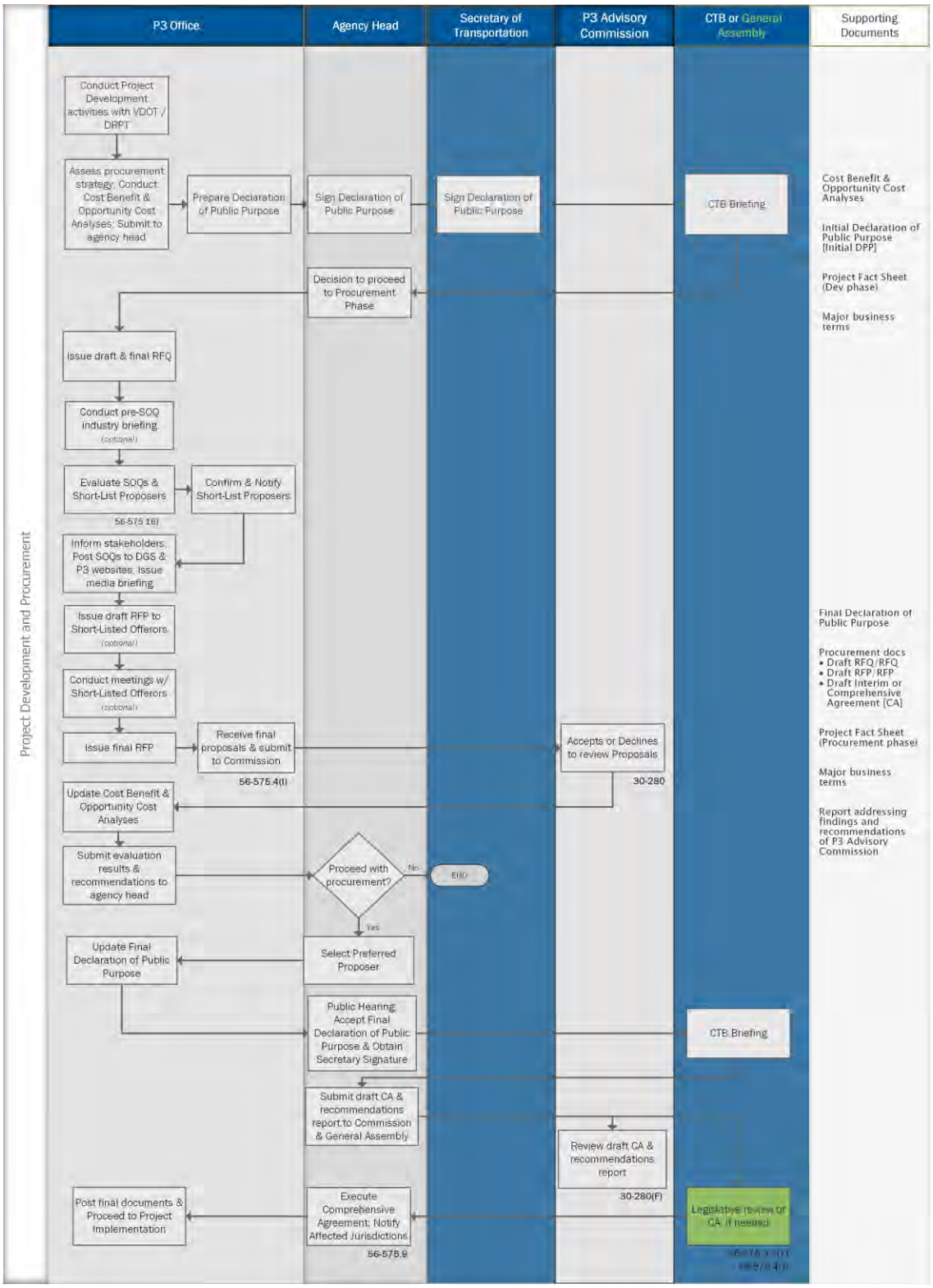
PPEA Framework for Unsolicited Projects

Policy Review Screening Phase



PPEA Framework for Solicited Projects

Project Development and Procurement Phases



Appendix D-Guidance on Approach to Commercial Terms

The guidance below presents the VDOT P3 Office's approach to developing commercial terms that forms the basis for Interim Agreements and Comprehensive Agreements governing P3 projects. In developing commercial terms, the VDOT P3 Office seeks to strike a balance between (i) providing the private sector with enough transparency regarding the Commonwealth's and/or RPEs principles and processes so as to promote and preserve its confidence and participation in the P3 program and (ii) preserving the P3 Office's flexibility across modes and projects to develop and complete competitive fair, market-based transactions that reflect the best interests of the Commonwealth.

While each P3 project is different and will have its own unique challenges, the guiding principles identified below remain constant and the P3 Office intends to apply these principles during the process of developing commercial terms for P3 projects across modes and methods of project delivery:

- ***Protect the Public Interest*** by being an effective steward of public resources and ensuring that the Commonwealth and/or VDOT / DRPT satisfy their statutory and legal duties to the public;

- ***Deliver Education, Technology and other public Infrastructure Solutions or government facilities*** to solve the Commonwealth's challenges;

- ***Promote Transparency and Efficiency*** within the Framework in order to generate and preserve confidence of key stakeholders in the P3 program;

- ***Maximize Competition*** through constant, early communication with the private sector, and during development and procurement, managing an efficient project selection process and administering a uniform and transparent procurement process;

- ***Execute P3 projects in a Timely and Efficient Manner*** through decisive process management and efficient decision-making;

- ***Encourage Creativity and Innovation*** to generate meaningful participation by the private sector;

- ***Collaborate, Cooperate and Communicate*** with private partners within the process as well as federal and state agencies and other key stakeholders to identify shared goals, key concerns and criticisms and resolve issues and challenges on a programmatic and project-specific basis;

- ***Advocate Reasonable and Fair Commercial Terms*** to ensure marketability of P3 projects by adopting market-based risk allocations that are appropriate for the complexity and scope of a specific P3 project – and are in the best interest of the Commonwealth;

- ***Standardize Terms, Procedures and Documents*** as appropriate to enhance speed of project execution and establish common understanding of key commercial terms and uniform treatment of general matters while remaining flexible to address the unique elements of a project on a transaction-specific basis; and

- ***Lead the Public-Private Partnership Community*** by developing and preserving a reputation for managing P3 projects effectively and successfully to promote confidence in the P3 program and realize the benefits of a long-term investment in the Commonwealth.

The VDOT P3 Office intends to apply these guiding principles and values to each P3 project through the processes utilized to develop commercial terms as outlined below; however, due to the uniqueness of each P3 project, certain principles and values may weigh and factor differently when developing commercial terms and finalizing an Interim or Comprehensive Agreement, as applicable, for a specific P3 project.

Development of Commercial Terms

During the pre-solicitation stage of the PPEA procurement process, the VDOT P3 Office, in conjunction with others from the VDOT / DRPT, may conduct project-specific industry workshops in order to measure the private sector's interest in the proposed P3 project and to gauge the potential scope of the project risks, allocation of those risks and related commercial terms. The VDOT P3 Office and others from VDOT / DRPT may follow up, hold industry workshops, or conduct independent one-on-one meetings with potential developer teams to further develop the scope of the proposed P3 project and advance the consideration of potential commercial terms for the project.

Prior to the issuance of the final RFP documents for a particular P3 project, the VDOT P3 Office will maintain open lines of communication within the parameters and restrictions set forth in the procurement documents with short-listed Proposers. The VDOT P3 Office will consider the input received from Short-Listed Proposers related to the project scope and other salient matters to ensure that the project and its corresponding commercial terms are financeable, risk appropriate, consistent with prevailing market conditions and in the best interest of the Commonwealth.

The VDOT P3 Office expects the key commercial terms that will form the basis for an Interim Agreement or Comprehensive Agreement will be determined prior to issuance of the final RFP documents. The contract finalization phase will provide an opportunity to make modifications necessary to react to events, such as changes in law, litigation, significant shifts in market conditions, new facts, and considerations raised by significant third-party participants as appropriate. During the contract finalization phase, the VDOT P3 Office, in coordination with VDOT / DRPT, will work with the Preferred Proposer to agree upon an ordered and efficient review and comment process to resolve any outstanding issues and/or refine the language of the documents in a manner which is timely, cost effective and reflects the importance of achieving commercial and financial closings.

The VDOT P3 Office, in conjunction with others from VDOT / DRPT, the OAG, and external legal, financial and technical advisors, will, in most circumstances, be primarily responsible for drafting, issuing and managing the P3 project's primary commercial documents, such as term sheets, Interim Agreements, Comprehensive Agreements, technical requirements and related documents.

During the process of drafting the primary commercial documents, the VDOT P3 Office, VDOT / DRPT, the OAG, and external advisors will be guided by the PPEA principles and consider the following factors:

1. Whether the project is a Greenfield construction or Brownfield monetization;

2. The proposed financial structure;

3. The commercial terms and risk allocations reflected in past P3 projects in the Commonwealth, parties that are best able to manage each risk and recent transactions of similar complexity and scope in other jurisdictions;

4. Current economic and financial conditions; and

5. Political and cultural issues.

For certain terms, the VDOT P3 Office will develop standard contractual language to address matters that will be part of any transaction, regardless of the nature of the P3 project.

The VDOT P3 Office, in conjunction with its constituent agencies and external advisors, will engage the private sector on an ongoing basis to evaluate shifting market conditions and will conduct periodic internal reviews of its principles and processes. Furthermore, the VDOT P3 Office will reach out to both the private sector and similar public-private partnership offices in other states to discuss shifting market dynamics and/or conditions that may impact the P3 program.

The VDOT P3 Office views its approach to developing commercial terms as a dynamic process that will evolve over time in an effort to continually reflect the best practices of using public-private partnerships to develop infrastructure in the Commonwealth.

Past P3 projects have benefited from the formation of a Commercial Working Group (CWG) that brings experts together from the legal, finance and technical groups with P3 experience. The CWG meets regularly to identify, prioritize, address issues and provide options and recommendations to senior leadership for decision-making and provide production teams with direction for project implementation. Benefits included team cohesiveness, cross-departmental education and growth, consistent communication, and improved negotiations. Due to the length of time that can pass to achieve commercial and financial close, the consistency of an established CWG would also help address the challenges that can arise from fluctuating financial markets, changes in administration at the state or federal level and/or changes in project personnel. VDOT P3 Office will assess the need for legal, finance and technical expertise and determine if a CWG is needed based on the project's unique aspects.

Appendix E - Guidance for Unsolicited Proposal Preparation

The PPEA permits Private Entities to submit Unsolicited Proposals to develop and/or operate Qualifying Projects at any time, pursuant to the PPEA and this PPEA Manual and Guidelines. In an effort to streamline the PPEA process, all Unsolicited Proposals should be submitted directly to the agency head with a copy to the VDOT P3 Office. Private Entities are encouraged to contact the VDOT P3 Office to arrange a meeting to discuss their ideas and concepts prior to submitting an Unsolicited Proposal. The VDOT P3 Office Point of Contact to arrange a meeting in this regard is:

VDOT P3 Office Director

Virginia Department of Transportation

Office of Public-Private Partnerships
1221 E. Broad Street
Richmond, VA 23219

Tel: 804 786 0455 (O)

Proposal Preparation

Proposers submitting an Unsolicited Proposal should ensure that the Proposal includes a comprehensive project description and provides enough information about the proposed project for the VDOT P3 Office, in coordination with VDOT / DRPT, to determine whether the Proposal satisfies the review and evaluation criteria as set out in 56-575.4. of the Code of Virginia. Proposers should also provide sufficient information to facilitate a Policy Review as detailed in Section 2.2.2 of this PPEA Manual and Guidelines and a Detail-Level Screening as described in Appendix F. In addition, the financial plan for the Qualifying Project must contain enough detail so that an analysis could be performed to determine whether the proposed project is financially feasible. The financial plan shall disclose the full extent of any forecasted public financing and/or funding commitments that are required to enable the proposed Qualifying Project.

To promote standardization of the evaluation procedure, Private Entities are required to organize contents of the Unsolicited Proposal as follows:

- Table of Contents
- Executive Summary
- TAB 1: Project Description and Approach
- TAB 2: Desirability of the Project
- TAB 3: Feasibility of the Project
- Appendices – Additional Information (if applicable)

The VDOT P3 Office may require Private Entities submitting an Unsolicited Proposal to give one or more oral presentations of their Proposal to the VDOT / DRPT and/or the public. Such presentations will provide opportunities to educate the VDOT / DRPT and the public and/or to clarify aspects of the Proposal. All pages of the Proposal should be numbered. Each copy of the Proposal should be placed in a three-ring binder and contained in a single volume where practical.

Proposal Submission

Private Entities submitting Unsolicited Proposals are required to deliver three (3) hard copies and one (1) electronic copy in Portable Document Format (PDF) to VDOT / DRPT. Proposals must be sealed in mailing envelopes or packages bearing the Proposer's name, address and the words "Public-Private Education Facilities and Infrastructure Act Proposal" clearly written on the outside. The cover page must include the title of the Proposal, the name and address of the proposing entity, the person authorized to act on behalf of the Proposer and his or her email address and telephone and facsimile numbers.

All Unsolicited Proposals should be submitted to the attention of the VDOT / DRPT agency head at the address listed above for the VDOT P3 Office Point of Contact.

Private Entities interested in submitting an Unsolicited Proposal are required to pay a non-negotiable Proposal Review Fee as specified in Section 2.1.2.1 of this PPEA Manual and Guidelines at the time of submitting the Unsolicited Proposal to the RPE. Proposers submitting multiple Proposals for unrelated P3 projects will be required to submit a Proposal Review Fee for each Unsolicited Proposal submission.

Upon receipt, the VDOT P3 Office will notify any appropriate federal agency, and other stakeholders that the Unsolicited Proposal has been submitted for a given Qualifying Project and that the VDOT P3 Office will initiate a review within 30 calendar days to determine if the Proposal meets all legal and policy requirements for further evaluation, as set out in §§ 56-575.4 of the Code of Virginia and this PPEA Manual and Guidelines.

The Private Entities submitting a copy of the Unsolicited Proposal to VDOT / DRPT pursuant to 56-575-4 of the Code of Virginia shall coordinate with the VDOT P3 Office Director prior to furnishing a copy of its Proposal to Affected Localities that are identified in the Proposal.

If an Unsolicited Proposal is submitted during a period when the VDOT P3 Office is unable to review and evaluate that Proposal by virtue of being committed to the development, evaluation, and procurement of other Qualifying Projects, or for any other reason as determined by the VDOT / DRPT at its sole discretion, then the Private Entity will be notified by the VDOT P3 Office so that the Proposal may be resubmitted at a later date.

Appendix F- Guidance on Detail-Level Screening Criteria

Those Solicited Projects that have advanced through the High-Level Screening process and those Unsolicited Proposals that have advanced through the Policy Review are eligible for a Detail-Level Screening. The Detail-Level Screening Criteria form the basis upon which the VDOT P3 Office evaluates the feasibility of delivering projects using the P3 project delivery method. The screening criteria reflect the Commonwealth's and/or VDOT / DRPT's goals and policy priorities for delivering projects in a timely and cost-effective manner.

The Detail-Level Screening Criteria, as described in more detail below, provides the private sector with a guide for defining what information the VDOT P3 Office and VDOT / DRPT will evaluate as they make their recommendation to the P3 Advisory Commission as to whether to invest in advancing the Qualifying Project under the PPEA.

In the Detail-Level Screening phase, the VDOT P3 Office will evaluate projects on the basis of two primary review categories: (1) desirability of the project and (2) feasibility of the project. The table below provides some guidance to the public and private sectors as to how to interpret the criteria:

Table 9 – Detail-Level Screening Criteria - Desirability

Detail-Level Screening Criteria – Desirability of the Project	
Public Need	▪ Does the project address the needs outlined in the local, regional and state plans?
Public Benefits	▪ Are there anticipated benefits to the community, the region and/or the Commonwealth? ▪ Is the project expected to help achieve performance, safety goals? ▪ Are there potential project benefits to the Affected Localities'? ▪ Are there anticipated enhancements to adjacent facilities?
Economic Development	▪ Will the project enhance the Commonwealth's economic development efforts? ▪ Is the project helpful to attracting or maintaining competitive industries and businesses to the region, consistent with stated objectives?
Market Demand for PPEA Delivery	▪ This measure is only applicable to Solicited Projects; Unsolicited Proposals do not need to address this issue, as Private Entities are demonstrating market demand through the submission of their Proposal.
Stakeholder Support	▪ Public and Business Community Support – What is the extent of support or opposition for the project? Does the proposed project demonstrate an understanding of the national and regional issues and needs, as well as the impacts this project may have on those needs? ▪ Public Involvement Strategy – What strategies are proposed to involve citizens, local, state and/or federal officials in developing this project? ▪ Federal Requirements – Is the project consistent with federal agency programs or grants?
Legislative Considerations	▪ Are there any legislative considerations that need to be taken into account, such as User Fees or use of public funds?

Table 10 Detail-Level Screening Criteria - Feasibility

Detail-Level Screening Criteria – Feasibility of the Project	
Technical Feasibility	▪ Project Approach – Is the project described in sufficient detail to determine the type and size of the project, the location of the project, the communities that may be affected and alternatives that may need evaluation? ▪ Proposed Project Schedule – Is the proposed schedule for project completion clearly outlined and feasible? ▪ Operation – Does the project set forth plans for operation of the facility, including a schedule defining initiation of operations? ▪ Technology – Is the project's technical approach based on proven technology? ▪ Conforms to Laws, Regulations, and Standards – Is the project consistent with applicable state and federal statutes and regulations or reasonably anticipated modifications of state or federal statutes, regulations or standards? ▪ Design Standards – Does the conceptual design appear to be consistent with the appropriate state and federal standards? ▪ Federal Oversight – Will the project require some level of federal involvement or oversight? ▪ Meets/Exceeds Environmental Standards – Is the proposed project consistent with applicable state and federal environmental statutes and regulations? ▪ Federal, State, and Local Permits and Approvals – Does the project identify the required permits and regulatory approvals and a reasonable plan and schedule for obtaining them? ▪ Utilities – Does the project set forth the method by which utility relocations will be identified and managed? ▪ Maintenance – Does the project include a schedule and plan to maintain this facility?
System Interface and Compatibility	▪ Land Use Impacts – Is the project compatible with local land use and comprehensive plans? ▪ System Interface – Does the project provide continuity with existing and planned state and local facilities?
Financial Feasibility	▪ Are there public funds required and, if so, are the Commonwealth's and/or VDOT / DRPT's financial responsibilities clearly stated? ▪ Is the preliminary financial plan feasible in that the sources of funding and financing can reasonably be expected to be obtained? ▪ What is the level of private financial equity/debt within the preliminary financial plan? ▪ Initial Cost Benefit Analysis and Opportunity Cost Analysis.
Legal/Legislative Feasibility	▪ Is new legislation or modifications to existing legislation needed to complete the project?
Project Risks	▪ Are there any particular risks unique to the project that have not been outlined that could impair project viability?

Detail-Level Screening Criteria – Feasibility of the Project	
	▪ Are there any project risks proposed to be transferred to VDOT / DRPT that are likely to be unacceptable?
Concession Term	▪ Does the project include a reasonable term of concession for proposed operation and maintenance? ▪ Is the proposed term consistent with market demand, providing a beneficial solution for the Commonwealth and/or VDOT / DRPT? ▪ Is the proposed term optimal for a whole- life approach?
End of Term Arrangement	▪ Does the project include a process for long-term performance management, inventory and hand back provisions?

Appendix G – Guidance for the RFQ Process

This Appendix provides guidance on the processes for issuance of RFQ documents and submitting SOQs.

Issuance of RFQ Documents

The VDOT P3 Office, in consultation with the agency head and other state and federal agencies and officials, as appropriate, is responsible for the development and issuance of the RFQ documents. The VDOT P3 Office will issue a public notice on the VDOT P3 Office website and the state eVA system to announce the issuance of the RFQ documents. The VDOT P3 Office will also notify General Assembly members as appropriate. The eVA system is a web-based purchasing system used by state agencies to announce bid opportunities, invite Proposers and receive quotes. The public notice may be issued by publication in a newspaper or newspapers of general circulation in the area in which the project is to be performed, so as to provide reasonable notice to the maximum number of Proposers that can be reasonably anticipated to submit responses to the RFQ.

The procurement documents, including any required forms, Addenda and other related information will be made available electronically on the eVA system and the VDOT P3 Office website. The VDOT P3 Office may arrange for a pre-Proposal conference or webinar, as deemed appropriate, to present and clarify information about the project and procurement process and respond to any questions that prospective Proposers may have about the RFQ. A notice for such an event will be made known within the RFQ documents, on the eVA system, and on the VDOT P3 Office website.

At any time during the procurement process, the need to issue one or more Addenda to the procurement documents may arise following interaction with the industry or in the event the underlying conditions of a particular project change or more information becomes available. Private Entities are encouraged to check the eVA system and the VDOT P3 Office website frequently and before submitting their responses.

Submission of SOQs

In response to the issuance of an RFQ, Proposers that are interested in the project will be required to submit an SOQ. SOQs should be prepared in accordance with the timelines and requirements of the RFQ document. For those Unsolicited Proposals that have been accepted by VDOT / DRPT for a competitive procurement, the Proposer that submitted the original Unsolicited Proposal will be required to submit a SOQ with other prospective Proposers to an RFQ if the Proposer submitting the original Unsolicited Proposal remains interested in developing the project.

As a part of the SOQ, Proposers may be required to provide information related to the structure of the respondent team, the qualification and experience of the Offeror, individual team members and key personnel with developing, designing, constructing, financing, operating and/or maintaining projects comparable to the project. The specific nature of experience, key personnel and background sought will depend on the specific project as well as the project delivery structure used. Additionally, the RFQ may require submittal of certain financial information from the Offeror and its affiliates. The intent of financial qualification submittal requirements is to determine whether the Offeror submitting a response has sufficient financial capacity to assume the responsibilities and obligations required to deliver the project on schedule. The VDOT P3 Office, in coordination with VDOT / DRPT may require the submission of financial statements (including audited financial statements), letters of support from providers of payment and performance security and/or disclosure of material changes in the Offeror's financial position during a specified period of time or reporting period identified in the RFQ.

Virginia law governs, and generally requires, disclosure of procurement and contract records after the completion of the procurement or contract. It is the responsibility of a Private Entity to comply with Virginia law, including becoming familiar with and satisfying the requirements for withholding of information from

disclosure that is authorized by applicable law. *See* Virginia Code § 2.2-3705.6(11). Proposers who have any questions about confidentiality should raise those with the VDOT P3 Office prior to submitting their responses. The VDOT P3 Office does not provide legal advice but will attempt to help ensure understanding of disclosure requirements.

SOQ Evaluation Criteria

The RFQ documents will specify the evaluation criteria and the methodology used to evaluate such criteria so Proposers will know how submissions will be evaluated. The VDOT P3 Office will coordinate with the agency head to select an evaluation team that is consistent with the Project proposed scope of work. Any information discussed during evaluation team meetings shall be kept confidential, including the sequestering meeting and the scoring/ranking meeting. The use of a consensus approach will be utilized to assign scores for each SOQ. Members of the evaluation committee will not score SOQs individually but will work collectively to arrive at a consensus score for each evaluation criterion. The consensus scores will be based on the evaluation criteria and must be substantiated by the written comments contained on evaluation forms.

Appendix H-Guidance for the RFP Process

This Appendix provides guidance on the process for developing RFP documents, the contents of Proposals and evaluation methodology.

Upon making the determination of Short-Listed Proposers, the VDOT / DRPT in coordination with the VDOT P3 Office, may begin the RFP process. The purpose of the RFP process is to create competition among a short-list of the most qualified Proposers to create value for the Commonwealth and/or RPE.

The VDOT / DRPT, in coordination with the VDOT P3 Office, may choose to issue the RFP documents in draft format to Short-Listed Proposers and hold one-on-one meetings in order to solicit feedback on the proposed RFP documents and draft Comprehensive Agreement. Once consideration has been given to feedback from the Short-Listed Proposers and other appropriate parties, the VDOT / DRPT, in coordination with the VDOT P3 Office, will issue final RFP documents to Short-Listed Proposers.

The VDOT / DRPT, in coordination with the VDOT P3 Office, will evaluate Proposals submitted by Short-Listed Proposers in response to the RFP, based on appropriate criteria. The VDOT / DRPT in coordination with the VDOT P3 Office reserves the right to carry out a Best and Final Offer (BAFO) process with some or all of the Proposers submitting responsive Proposals.

Contents of RFP Documents

The RFP documents may include specific requirements for the detailed Proposals, as well as the selection criteria to be met. Depending on the project, the RFP documents may also include, among other things:

- Technical requirements for the design, construction, environmental commitments, operations and maintenance components of the project;
- The scope of the services to be provided;
- The RPE's preferred allocation of project risks and commercial terms via a draft Comprehensive Agreement;
- Clear instructions on the content and format of each Proposal;
- A clear and reasonable timetable for submitting the Proposals; and
- Reasonable evaluation criteria.

Proposal Submission

In response to the issuance of the final RFP documents, Short-Listed Proposers will be invited to submit a detailed Proposal containing at least two basic components, a Technical Proposal and a Financial Proposal, in accordance with the requirements stated in the RFP documents. The RFP may require Proposers to submit information different from or in addition to such information referenced in this PPEA Manual and Guidelines.

Additionally, the extent and type of information requested may vary depending upon the complexity of the P3 project; however, the information and supporting documents provided should be sufficient to allow the VDOT P3 Office and the VDOT / DRPT to determine the most suitable Proposer for delivering the P3 project.

Technical Proposal

The VDOT P3 Office may require the Proposer to provide a Technical Proposal regarding the project's scope of work and technical requirements as the VDOT P3 Office and the VDOT / DRPT deems appropriate. Such required information may include, without limitation, design elements and approach, construction approach, operations approach, maintenance approach, approach for maintenance of traffic during construction, project management approach, schedule, phasing, quality control and assurance approach, environmental requirements, communication and public involvement approach and other information as is appropriate for the project's implementation.

The intent of the Technical Proposal is to provide assurance that the selected Preferred Proposer has a sufficient understanding of the project and/or desired service; an approach that fosters innovation and creativity; an approach that meets technical and contractual requirements; and the ability to deliver the project and/or desired service in accordance with technical and contractual requirements stated in the RFP documents in a timely and efficient manner. If compliance with NEPA is required, the Technical Proposal must be consistent with any existing NEPA approvals or additional NEPA documentation may be required.

Financial Proposal

The content requirements of the Financial Proposal will vary with the type of PPEA delivery structure and the nature of a particular P3 project. If the RFP and project scope requires the Proposer to finance any part of the project, the RFP will require that the Financial Proposal include a financial plan and financial model. Depending upon the nature of the project, the project delivery method and current market conditions, the requirements for the contents and level of detail of the financial plan could be substantially different. The Financial Proposal may require that the Proposer update the financial qualification information provided with the SOQ. The RFP documents will include the financial plan requirements.

The VDOT P3 Office will seek, where possible and financially feasible, Proposals that minimize the use of public funds as well as the creation of state-supported debt. If a Proposal including public or private debt is submitted, then the RFP will require that the Proposal identify the amount of public funds required and a plan for complying with any requirements associated with using public funds.

Proposal Evaluation Criteria

The evaluation methodology for Proposals will depend largely on the nature of the project, the scope of work and details set forth in the RFP documents. However, the VDOT P3 Office in coordination with the VDOT / DPRT reserves the right to utilize other basis for award, including lowest lifecycle cost, highest concession payment, lowest public subsidy and any other basis that is appropriate and deemed by the VDOT P3 Office in coordination with the VDOT / DRPT to be in the best interests of the project and the Commonwealth.

Reasonable and specific criteria and methodology for evaluating Proposals will be included in the RFP documents of the specific PPEA procurement and will vary depending on the scope and complexity of a project and project delivery approach. The RFP evaluation criteria allow the VDOT P3 Office, the VDOT / DRPT, and the Commonwealth to clearly communicate the project objectives and priorities of the VDOT / DRPT to the private sector. Though not an exhaustive list, factors that may be considered include the Proposers' qualifications and experience; project financing and the degree to which the Proposer has conducted due diligence investigation and analysis of the proposed financial plan; technical feasibility; environmental and/or condemnation impacts; state and/or local permits; community benefits and compatibility; the proposed design of the project; and/or the general reputation, industry experience, and financial capacity of the Proposer.

Upon receipt of Proposals, the VDOT P3 Office will commence the evaluation and selection process. The VDOT P3 Office, in coordination with the VDOT / DRPT, may hold interviews, present written questions to Proposers, seek written clarifications and conduct discussions on the Proposals during the evaluation and

selection process. The VDOT P3 Office will coordinate with the agency head and others as appropriate to select an evaluation team that is consistent with the Project proposed scope of work. Any information discussed during evaluation team meetings shall be kept confidential throughout the procurement, including the sequestering meeting and the scoring/ranking meeting. The use of a consensus approach will be utilized to assign scores for each Proposal. Members of the evaluation committee will not score Proposals individually but will work collectively to arrive at a consensus score for each evaluation criterion. The consensus scores will be based on the evaluation criteria and must be substantiated by the written comments contained on evaluation forms.

After evaluation of the Proposals, the VDOT P3 Office, in consultation with the VDOT / DPRT, reserves the right to request that Proposers submit Proposal revisions (also known as a Best and Final Offer (BAFO)). Typically, only those Proposers that are responsive and/or which fall within a competitive range will be permitted to submit BAFOs. The request for Proposal revisions or BAFOs is intended to provide Proposers an opportunity to revise their Proposals (both the Technical Proposal and Financial Proposal) in light of the BAFO request issued by the VDOT P3 Office. Upon receipt of the Proposal revisions or BAFOs, the Proposal evaluation process will be repeated by the VDOT P3 Office. It is important to note that BAFOs are not mandatory and may not be useful or appropriate for a given project. If BAFO is to be used, it will be specifically stated in the RFP.

Appendix I- Legal Framework – PPEA of 2002

Document Filing with Auditor of Public Accounts

The Auditor of Public Accounts shall periodically review IAs and CAs entered into pursuant to the PPEA to ensure compliance with the provisions of the PPEA (§56-575.18). VDOT P3 Office will electronically file copies of the Agreements and supporting documents on the database maintained by Auditor of Public Accounts.

Conflicts of Interest and Other Considerations

Actual, potential or perceived conflicts of interest may be encountered during a P3 project delivery. To ensure transparency, accountability, and objectivity, any Proposal submitted to VDOT / DPRT pursuant to the PPEA will follow applicable state and federal laws, regulations and guidelines regarding conflicts of interest. Such requirements will extend to external advisors, consultants, and staff. Examples of such federal laws, regulations and guidelines are 23 CFR §636.116, 23 CFR §771, 48 CFR §9.5, the Committee on Foreign Investment in the United States (CFIUS) processes, and the Ethics in Public Contracting provisions of the Virginia Public Procurement Act (§2.2-4367 *et seq*. of the Code of Virginia.

VDOT P3 Office and the VDOT / DPRT, in consultation with the OAG and/or the Virginia Conflict of Interest and Ethics Advisory Council, will determine on a case-by-case basis whether conflicts of interest exist and what actions may be appropriate to avoid or mitigate any actual, potential or perceived conflict.

Pledge of Confidentiality

Each member of the VDOT P3 Office and the VDOT / DPRT that is associated with developing, reviewing or selecting submitted project Proposals has access to proprietary and confidential information. Any misuse by VDOT P3 Office employees or representatives of these agencies of such information or other materials, information and data provided to the agencies by a Proposer is strictly prohibited.

The VDOT P3 Office will institute safeguards concerning Proposal security for each P3 project, including where materials will be stored along with who has access to them and under what circumstances. Consultants assisting in the evaluation of the Proposals will be required to execute Confidentiality/Non-Disclosure and Conflict of Interest Agreements that provide for the confidential treatment of evaluation and procurement materials and also require the disclosure of potential or actual conflicts of interest with Proposers. These agreements may be executed at the commencement of procurement as well as during the Proposal evaluation period.

Gifts

Contribution and gift provisions are in place (see Virginia Code § 56-575.17:1) for a Private Entity involved in an IA or CA where the stated or expected value of the contract is $5 million or more. No Private Entity that has submitted a bid or Proposal to a Public Entity that is an executive branch agency directly responsible to the Governor and is seeking to develop and/ or operate a Qualifying Project, and no individual who is an officer or director of such a Private Entity, shall knowingly provide a contribution, gift, or other item with a value greater than $50 or make an express or implied promise to make such a contribution or gift to the Governor, Governor's political action committee, or the Governor's Secretaries, if the Secretary is responsible to the Governor for an executive branch agency with jurisdiction over the matters at issue, following the submission of a PPEA Proposal until the execution of a CA. Any person who knowingly

violates this provision shall be subject to a civil penalty of $500 or up to two times the amount of the contribution or gift, whichever is greater.

Appendix J - Confidentiality and Security of Information

Virginia Freedom of Information Act (VFOIA)

All Proposals submitted by Private Entities to VDOT P3 Office or VDOT / DRPT pursuant to the PPEA become the property of the Commonwealth and are subject to disclosure pursuant to the Virginia Freedom of Information Act (§2.2-3700 *et seq*. of the Code of Virginia) (VFOIA). Private Entities should pay particular attention to § 2.2-3705.6(11) and § 56-575.4(G) of the Code of Virginia which concern VFOIA and the PPEA process. It is the responsibility of Private Entities submitting Unsolicited Proposals or Proposers responding to solicitation requests to familiarize themselves with applicable law to ensure they take the necessary steps to identify information as confidential or proprietary and satisfy the requirements for withholding of information from disclosure that is authorized by applicable law.

In addition to complying with all statutory requirements of VFOIA to invoke an exemption from that statute's mandatory disclosure provisions, VDOT requests that when a Private Entity submits any materials that such Private Entity believes is confidential and/or proprietary information, such Private Entity must make a written request to the VDOT P3 Office:

1. Invoking the claimed VFIOA exclusion upon submission of the data or other materials for which protection from disclosure is sought;

2. Identifying with specificity the data or other materials for which protection is sought; and;

3. Stating the reasons why protection is necessary;

4. Providing a redacted version of the submission.

Failure to take such precautions prior to the submission of a Proposal or other such documentation may subject all information to disclosure under the VFOIA.

The table below contains examples of materials that might qualify for exemptions from disclosure under VFOIA This list is provided as a guide and is not intended to be exhaustive or constitute legal advice..

Material	Citation
PPEA procurement records	Va. Code § 33.2-1820(D)
Trade secrets of Private Entity	Va. Code § 2.2-3705.6(11)(b); Va. Code § 33.2-1820(D); Va. Code § 59.1-336
Financial records of the Private Entity that are not generally available to the public	Va. Code § 2.2-3705.6(11)(b); Va. Code § 33.2-1820(D)
Cost estimates relating to proposed procurement transaction	Va. Code § 33.2-1820(E)
Materials prepared by the VDOT P3 Office (or its staff/consultants) for evaluation and negotiation of PPEA proposals	Va. Code § 2.2-3705.6(11)(a)
Information provided to the VDOT P3 Office by a private entity if disclosure would adversely affect private entity's or P3 Office's bargaining position or financial interest	Va. Code § 2.2-3705.6(11)(b)

Material	Citation
Proprietary, commercial, or financial information provided by a private transportation business to the VDOT P3 Office for the purpose of conducting transportation studies needed to obtain grants or other financial assistance under the Transportation Equity Act for the 21st Century	Va. Code § 2.2-3705.6(9)
Legal advice/attorney-client privileged materials	Va. Code § 2.2-3705.1(2)
Legal work product for use in litigation	Va. Code § 2.2-3705.1(3)
Appraisals or cost estimates of real property subject to proposed purchase, sale, or lease	Va. Code § 2.2-3705.1(8)
Account numbers/routing information	Va. Code § 2.2-3705.1(13)
Governor's working papers/correspondence	Va. Code § 2.2-3705.7(2)
Trade secrets and financial information supplied in response to audit from the VDOT P3 Office	Va. Code § 2.2-3705.6(31)

The Responsible Public Entity will determine the scope of protection from disclosure available under the Virginia Code § 2.2-3705.6(11). Private Entities who have any questions about confidentiality should raise those with the VDOT P3 Office prior to submitting information. The VDT P3 Office does not provide legal advice but will attempt to help ensure understanding of disclosure requirements.

Federal Freedom of Information Act

As discussed above, VDOT / DRPT, as public bodies of the Commonwealth of Virginia, are subject to VFOIA. It is also possible that documents they share with federal agencies could be subject to the federal Freedom of Information Act, 5 U.S.C. § 551 *et seq*. ("FOIA"). For example, to the extent that the VDOT P3 Office transmits information to the United States Department of Transportation's Federal Highway Administration ("FHWA"), such entity is an "agency' under FOIA, and the transmitted information could be subject to a records request made on the FHWA.

Like VFOIA, FOIA contains a general requirement to make information available upon public request; and like VFOIA there are limited exemptions to this requirement. To the extent that VDOT / DRPT provides materials related to PPEA projects to FHWA, the exemption most relevant to protecting such materials from public disclosure would be FOIA's exemption for trade secrets or confidential financial information. To qualify as "confidential" for this exemption, it is highly recommended that VDOT / DRPT request and receive documented assurances of confidentiality prior to transmitting PPEA materials containing confidential commercial or financial information to federal agencies.

Appendix K - PPEA Manual and Guidelines Statutory Cross-Reference

Cross reference PPEA requirements for guidelines (Va. Code § 56-575.3:1(B)) to PPEA Manual and Guidelines

Va. Code 56-575.3:1(B)	PPEA Guideline Requirement	PPEA Manual & Guidelines Section
1	Opportunities for competition through public notice and availability of representatives of the responsible public entity to meet with private entities considering a proposal	Sec. 2.4; 2.6; 3.4; 4.2; Appendix G (RFQ) & Appendix H (RFP)
2	Reasonable criteria for choosing among competing proposals	Sec. 2.6
3	Suggested timelines for selecting proposals and negotiating an interim or comprehensive agreement	Multiple references to target dates and timelines throughout Manual
4	Authorization for accelerated selection and review and documentation timelines for proposals involving a qualifying project that the responsible public entity deems a priority	Sec 2.1
5	Financial review and analysis procedures that shall include, at a minimum, a cost-benefit analysis, an assessment of opportunity cost, and consideration of the results of all studies and analyses related to the proposed qualifying project. These procedures shall also include requirements for the disclosure of such analysis to the appropriating body for review prior to execution of an interim or comprehensive agreement	Sec. 3.2; 3.4; 4.6; 4.9; Sec 2.2.2 - Table 2; Sec 4.13 - Table 8
6	Consideration of the non-financial benefits of a proposed qualifying project	Sec. 2.2 – Tables 1 & 2
7	A mechanism for the appropriating body to review a proposed interim or comprehensive agreement prior to execution, which shall be in compliance with applicable law and the provisions of subsection I of § 56-575.4 pertaining to the approval of qualifying projects	Sec. 4.10
8	Establishment of criteria for (i) the creation of and the responsibilities of a public-private partnership oversight committee with members representing the responsible public entity and the appropriating body or (ii) compliance with the requirements of Chapter 42 (§ 30-278 et seq.) of Title 30. Such criteria shall include the scope, costs, and duration of the qualifying project, as well as whether the project involves or impacts multiple public entities. The oversight committee, if formed, shall be an advisory committee to	Sec 1.3 & 4.3

Va. Code 56-575.3:1(B)	PPEA Guideline Requirement	PPEA Manual & Guidelines Section
	review the terms of any proposed interim or comprehensive agreement	
9	Analysis of the adequacy of the information released when seeking competing proposals and providing for the enhancement of that information, if deemed necessary, to encourage competition pursuant to subsection G of Â§ 56-575.4	Sec. 4.2.3 & 4.2.4
10	Establishment of criteria, key decision points, and approvals required to ensure that the responsible public entity considers the extent of competition before selecting proposals and negotiating an interim or comprehensive agreement	Executive Summary - Figure 1 - PPEA Framework; Sec. 2.2.2 – Table 2 (Policy Review) & Appendix F – Table 9 (Detail Screening)
11	The posting and publishing of public notice of a private entity's request for approval of a qualifying project, including (i) specific information and documentation to be released regarding the nature, timing, and scope of the qualifying project pursuant to subsection A of § 56-575.4;(ii) a reasonable time period as determined by the responsible public entity to encourage competition and public-private partnerships in accordance with the goals of this chapter, such reasonable period not to be less than 45 days, during which time the responsible public entity shall receive competing proposals pursuant to subsection A of § 56-575.4;and (iii) a requirement for advertising the public notice in the Virginia Business Opportunities publication and posting a notice on the Commonwealth's electronic procurement website shall be included	Sec. 2.6

VDOT

Virginia Department of Transportation

ACCESS PROGRAM UPDATES

Economic Development and Airport Access Programs
Rail Industrial Access Program

Terry R. Short Jr., AICP
VDOT Local Assistance Division Director

Michael Todd, AICP
DRPT Rail Programs Director

September 15, 2026

Agenda and Reason for this Presentation

- **Review of the EDA, AIR and RIA programs**
- **Review of program performance**
- **Review of fund balance**
- **Stakeholder engagement**
- **Opportunities to support and contribute to growing Virginia's economy**
- **Policy Update Recommendations**

Goal: Ensure that the EDA, AIR, and RIA programs continue to support economic development across the Commonwealth, and keep pace with the cost of transportation projects

Economic Development (EDA) and Airport (AIR) Access Programs

- **Provides funding to design and construct roads that serve new or expanding economic development sites or public-use airports, § 33.2-1509**
  - Localities submit applications for EDA or AIR Funding to VDOT, and the Commonwealth Transportation Board (CTB) considers and approves project allocations
- **EDA Projects can be either design-only projects or construction projects**
  - Design-only projects: Funds are used solely for the design of a new road or improvements to an existing road
  - Construction projects: Funds are used for both the design and construction of a new road or improvements to an existing road
    - A higher amount of funding is available for projects designated as Major Employment and Investment (MEI) sites

Fund Source	EDA Design-Only Projects		EDA Construction Projects	
	MEI	Non-MEI	MEI	Non-MEI
State	$500,000	$150,000	$1,000,000	$700,000
State/Local Match	$150,000/$150,000	$50,000/$50,000	$1,000,000/$1,000,000	$150,000/$150,000

- **AIR Projects can only be construction projects**

Fund Source	AIR Construction Projects
State	$500,000
State/Local Match	$150,000/$150,000

VDOT Benefits

- **EDA Design-only grants allow localities the ability to address lead times needed to attract economic development prospects and shows a level of readiness**
- **EDA grants free up locality resources for other aspects of economic development and site preparation**
- **EDA & AIR grants provide funding for projects that would otherwise not be competitive with other programs**

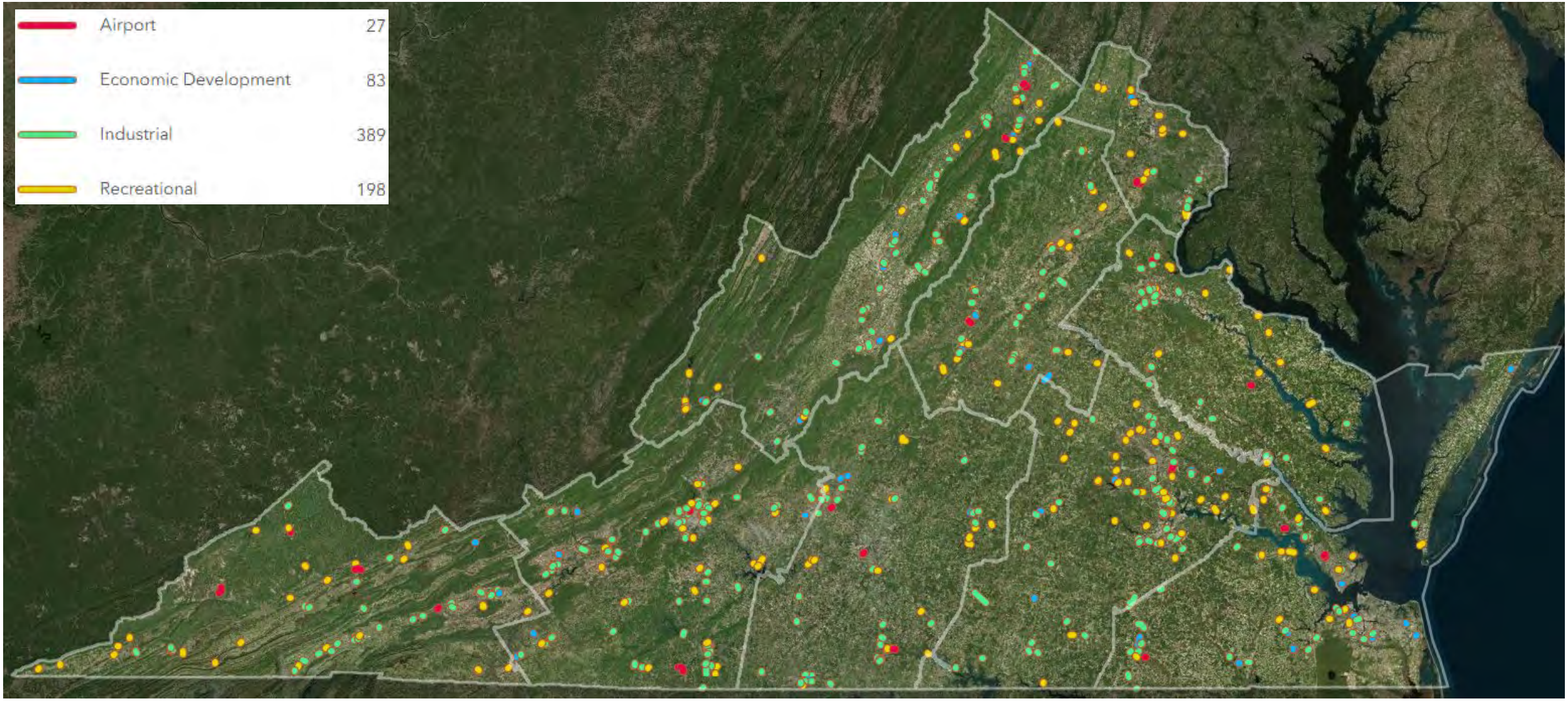
FY25 & FY26	EDA Design-Only Projects		EDA Construction Projects	
	MEI	**Non-MEI**	**MEI**	**Non-MEI**
# of Projects	3	4	0	5
Total Allocations	$2,069,000	$640,000	$0	$4,100,000

AIR Construction Projects				
Fiscal Year	**2012**	**2013**	**2023**	**2027**
# of Projects	1	1	1	1
Total Allocations	$450,000	$450,000	$650,000	$650,000

Program Improvements

- **Development of dashboards and mapping tools to contextualize the impact of Access projects**
- **Development of marketing materials and improved outreach efforts through Statewide economic development organizations**
- **Continued partnership with the Virginia Economic Development Partnership (VEDP)**

Mapped Access Projects (1980-2026)



FY18-26 Awarded Projects

EDA:

Construction Projects

- Projects Awarded: 27, $18.2M
- Capital Investment: $2.7B
- Jobs Created: 1081

Design-Only

- Projects Awarded: 8, $3.2M
- Access provided to 2,026 acres of undeveloped property

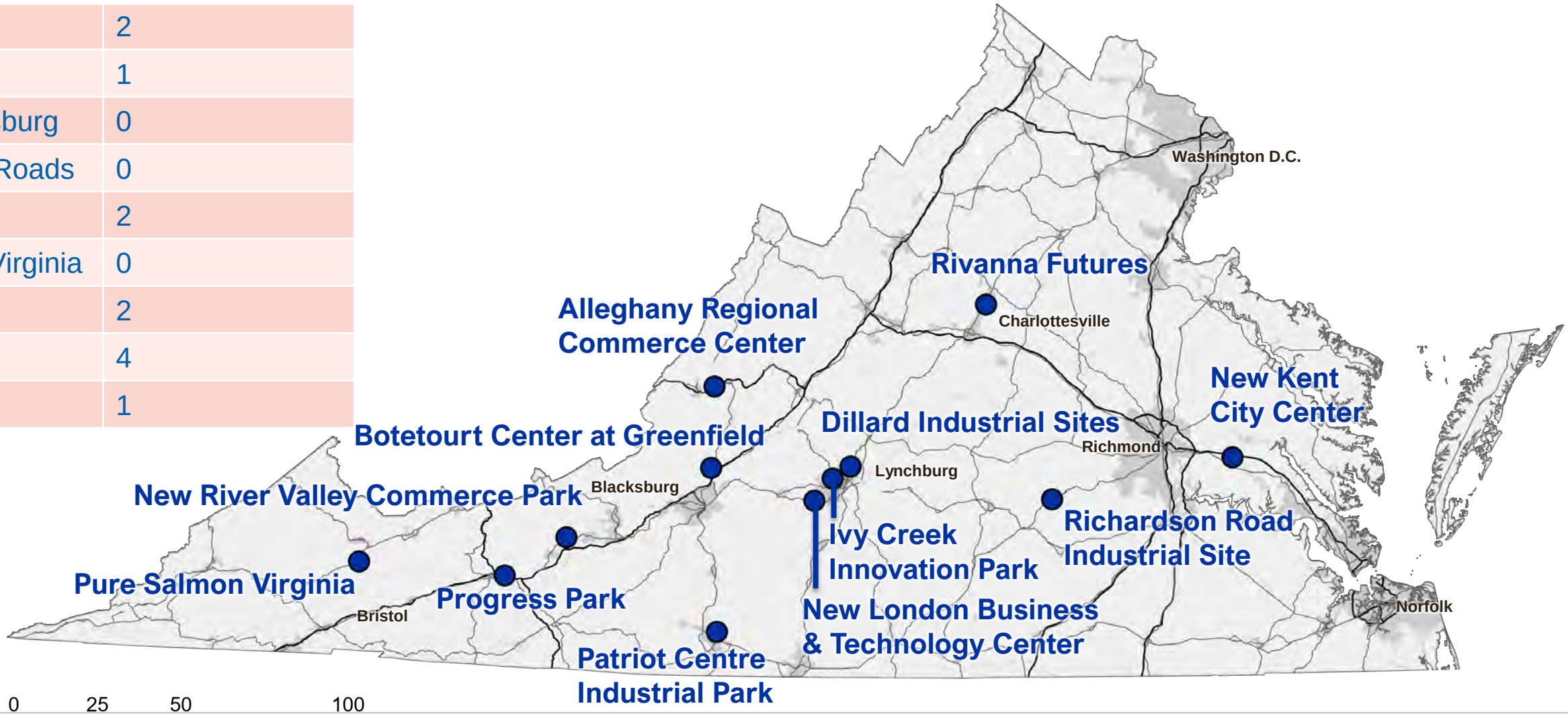
AIR:

Construction Projects

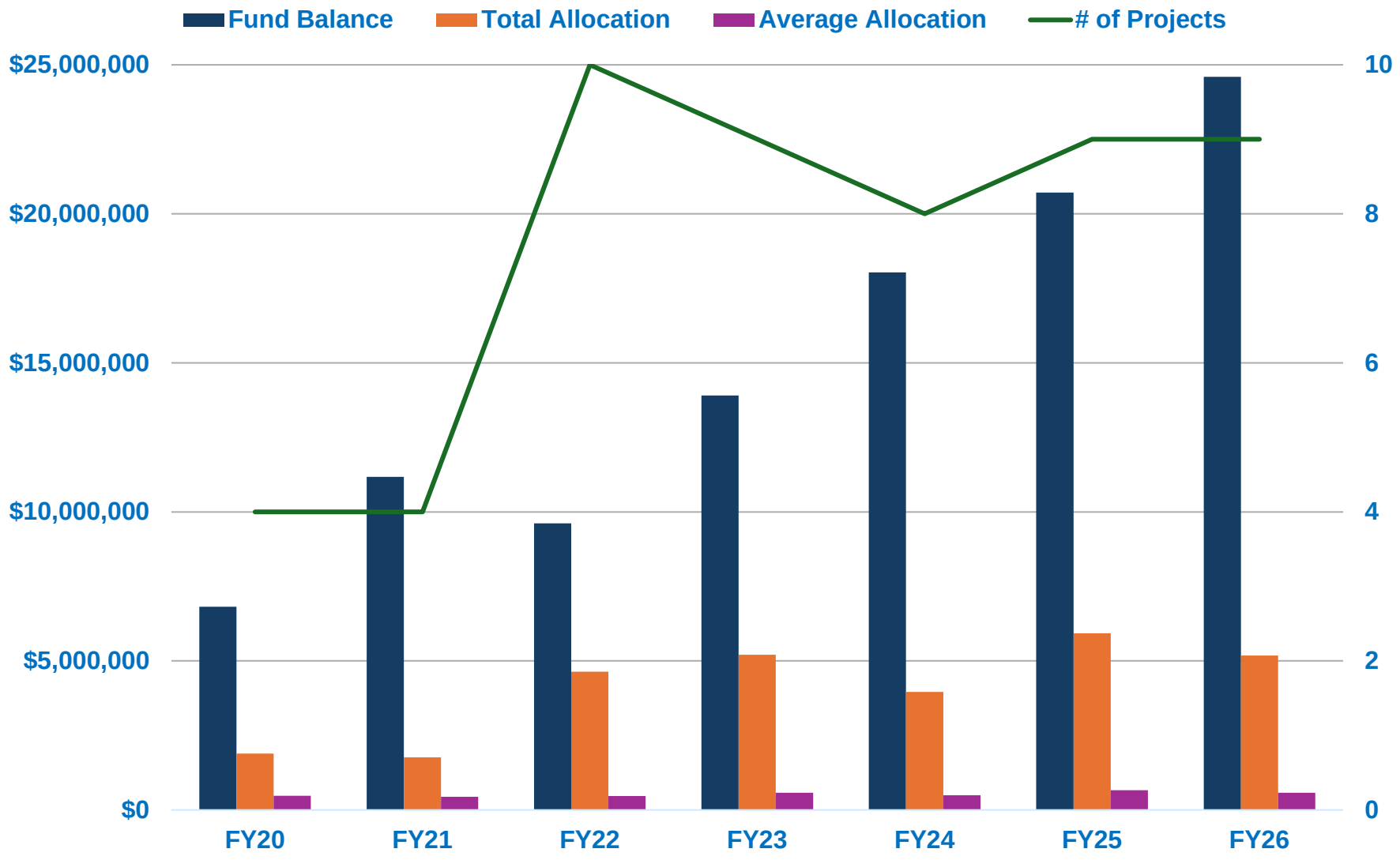
- Projects Awarded: 2, $1.3M

FY 25 & 26 EDA Projects

VDOT District	Active Projects
Bristol	2
Culpeper	1
Fredericksburg	0
Hampton Roads	0
Lynchburg	2
Northern Virginia	0
Richmond	2
Salem	4
Staunton	1



Program Performance



VDOT Overview of Problem

EDA & AIR programs were established to help accelerate economic development opportunities and growth across the Commonwealth

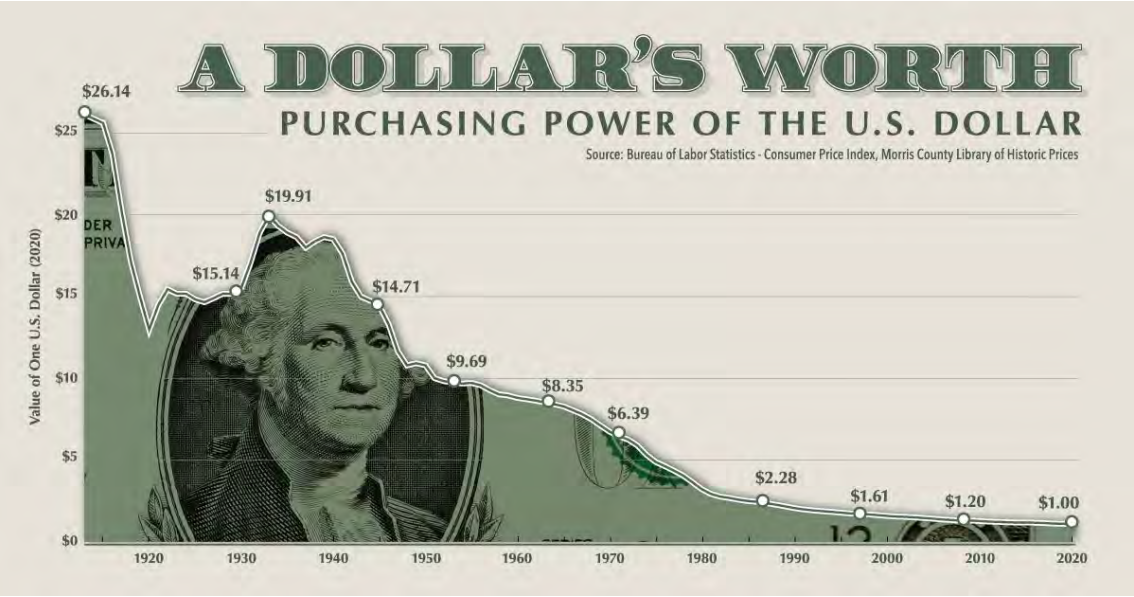
EDA Program Maximum Allocation – Grant Cap

2009

$300,000 to $500,000

2022

$500,000 to $700,000



Inflationary conditions have eroded the purchasing power of a FY2022 $700,000 grant by over $131,000*

*Source: Bureau of Labor Statistics; Consumer Price Index Data

Economic Development (EDA) and Airport (AIR) Access Programs

- **Provides funding to design and construct roads that serve new or expanding economic development sites or public-use airports, § 33.2-1509**
  - Localities submit applications for EDA or AIR Funding to VDOT, and the Commonwealth Transportation Board (CTB) considers and approves project allocations
- **EDA Projects can be either design-only projects or construction projects**
  - Design-only projects: Funds are used solely for the design of a new road or improvements to an existing road
  - Construction projects: Funds are used for both the design and construction of a new road or improvements to an existing road
    - A higher amount of funding is available for projects designated as Major Employment and Investment (MEI) sites

Fund Source	EDA Design-Only Projects		EDA Construction Projects	
	MEI	Non-MEI	MEI	Non-MEI
State	$500,000	$150,000	$1,000,000	$700,000
State/Local Match	$150,000/$150,000	$50,000/$50,000	$1,000,000/$1,000,000	$150,000/$150,000

- **AIR Projects can only be construction projects**

Fund Source	AIR Construction Projects
State	$500,000
State/Local Match	$150,000/$150,000

VDOT Recommended Solution

- **EDA: Increase the amount of unmatched grant funds available for each project type**
- **AIR: Increase the amount of unmatched grant funds, mirroring Non-MEI EDA Construction projects**

- **FY 25 & 26 applications can request additional funding up to the new grant limits**

Fund Source	EDA Design-Only Projects		EDA Construction Projects	
	MEI	Non-MEI	MEI	Non-MEI
State	$500,000 ↓ $850,000	$150,000 ↓ $250,000	$1,000,000 ↓ $1,750,000	$700,000 ↓ $1,250,000
State/Local Match	$300,000/$300,000	$100,000/$100,000	$1,250,000/$1,250,000	$300,000/$300,000

Fund Source	AIR Construction Projects
State	$500,000 ↓ $1,250,000
State/Local Match	$300,000/$300,000

Stakeholder Outreach

- **Increasing EDA program funds for individual projects will:**
  - **Help promote additional economic development activity**
  - **Allow the utilization of local funds for other economic development purposes, such as**
    - **Transportation connectivity**
    - **Site development and readiness**
    - **Acquisition of future sites**
  - **Improve the ability to respond quickly to business attraction and expansion opportunities**

Next Steps

- October 2026 meeting, the CTB will be presented with resolutions proposing policy updates to the Economic Development and Airport Access Programs
- Update program guideline documents
- Coordinate with impacted grant recipients and update individual CTB Resolutions as needed

Rail Industrial Access (RIA)
Program Overview

DRPT
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Code 33.2-1600: Purpose

§ 33.2-1600. Fund for construction of industrial access railroad tracks.

A. The General Assembly **declares it to be in the public interest that access railroad tracks and facilities be constructed** to certain industrial commercial sites where rail freight service is or may be needed by new or substantially expanded industry and that financial assistance be provided to areas seeking to furnish rail freight trackage between the normal limits of existing or proposed common carrier railroad tracks and facilities and the actual site of existing or proposed commercial or industrial buildings or facilities. This section is enacted in furtherance of these purposes and is intended to be comparable to the fund for access roads to economic development sites established pursuant to § 33.2-1509.

E. In deciding whether to construct any such access track, the Board shall consider the cost thereof in relation to prospective volume of rail traffic, capital investment, potential employment, and other economic and public benefits. **The Board shall adopt procedures to encourage widespread use of the funds**, shall limit allocation of funds so that no locality receives more than 50 percent of the funds in any one fiscal year unless there are not sufficient applications prior to May 1 of each year to use the available funds, and shall consider the practices of the Department of Transportation in distributing funds for access roads to economic development sites under § 33.2-1509.

Tenants of Current Policies

Network Capacity

- Common Carrier
- Carload Increase
- Coordinate Operations

Maximize Funding

- Min. 30% Match
- Incentivize Higher Match
- Private Maintenance

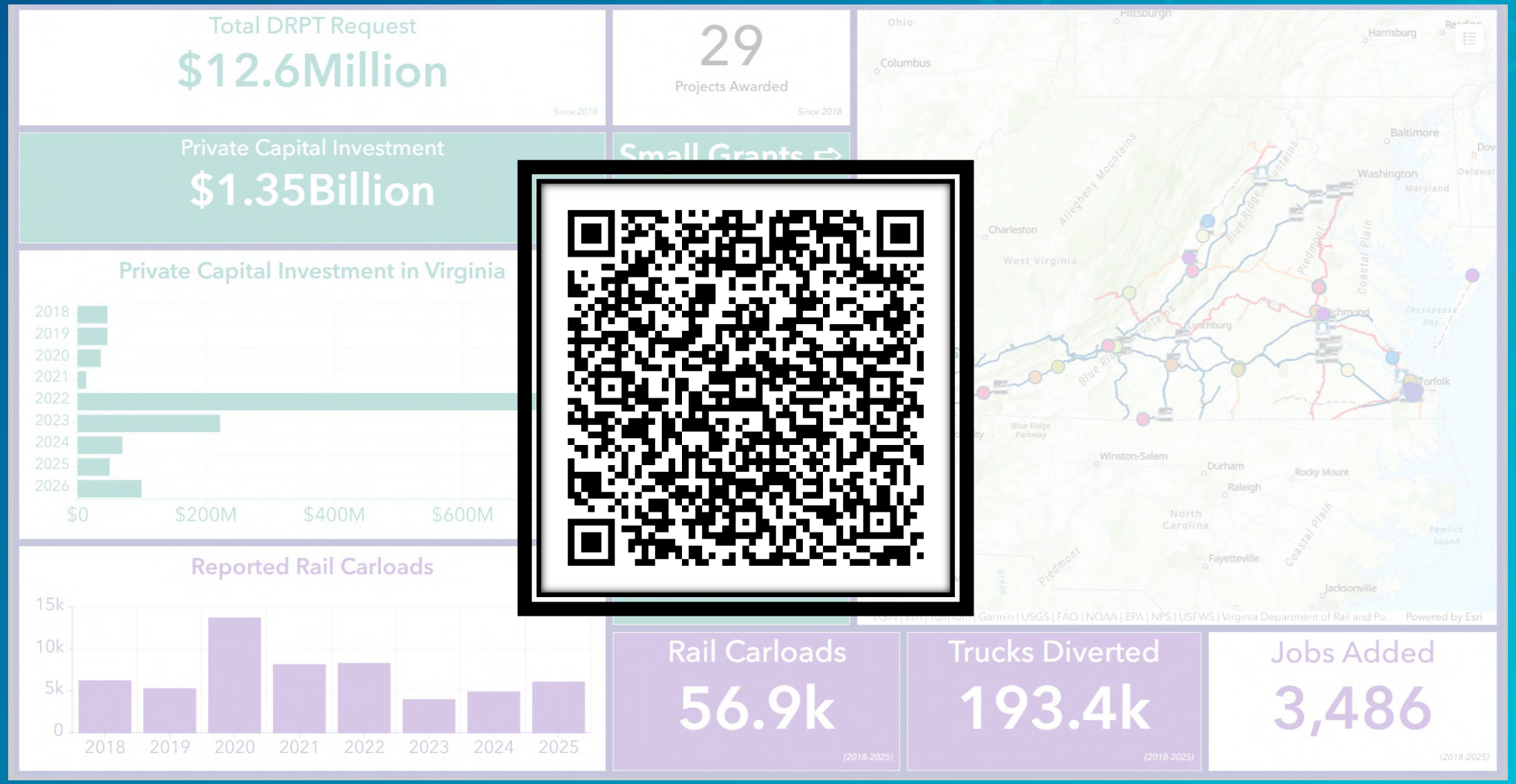
Safeguard

- Annual Performance
- Contingent Interest
- Funding Clawback

RIA Project Benefits

RIA Project Dashboard

(2018 – 2025)



Significant ROI

(2018-2025)

3,400+
New Jobs

56,000+
New Carloads

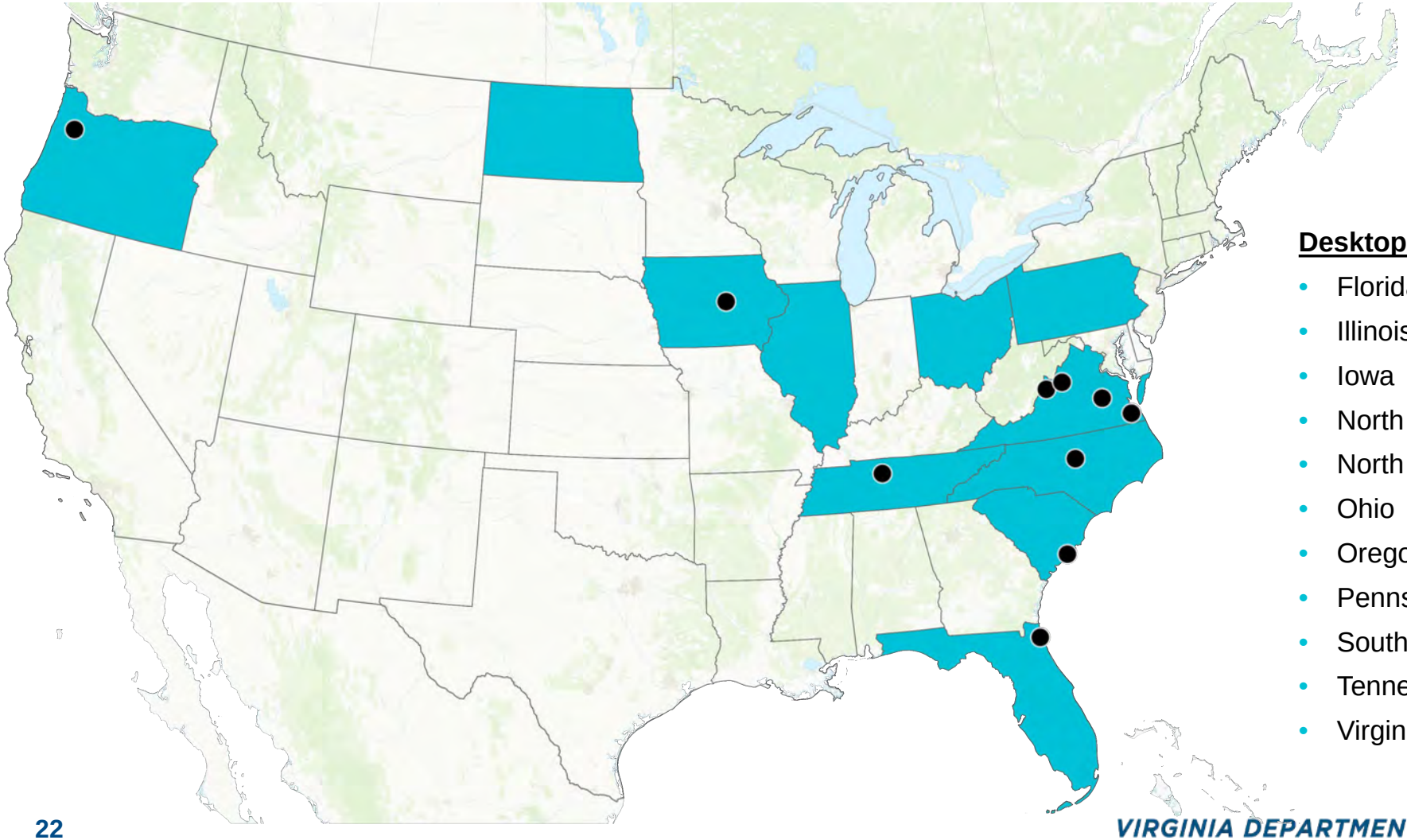
190,000+
Trucks Diverted

$1.3B
Private Investment

$12.6M
Grant Funding

Barriers to Application

Research & Interviews



Desktop Review:

- Florida
- Illinois
- Iowa
- North Carolina
- North Dakota
- Ohio
- Oregon
- Pennsylvania
- South Carolina
- Tennessee
- Virginia

Interviews:

- Genessee & Wyoming
- Houff Corporation
- Iowa DOT
- North Carolina DOT
- Oregon DOT
- Port of Virginia
- South Carolina Port
- Shenandoah Valley RR
- Tennessee ECD
- Virginia DOT

Barriers to Application

01 Program Awareness

02 Application Timing/Efficiency

03 Long-Term Commitments

04 Financial Sustainability

RIA Recommendations

Recommendations

01	Program Awareness	Advertising Campaign
02	Application Timing/ Efficiency	Locality Notification
03	Long-Term Commitments	6 Year Contingent Interest
04	Financial Sustainability	Fund up to 70% of Rail Construction Not to Exceed $1M

Recommendations

Renewed Advertising Campaign

- 2024 Campaign Generated Over 26,000 Views
- General outreach via Google Search results, Streaming Ads
- Direct outreach via Chamber of Commerce, Economic Development, Regional Organizations, etc.

Streamlined Locality Notification

- Locality Resolution Currently Required
- Process Takes 2 – 3 Months on Average
- Locality Resolution Typically Only Acknowledges Project

Establish Six Year Contingent Interest

- Currently 15 Years
- Reduce Barrier to Entry
- Reduce Administrative Burden by 60%

Fund up to 70% Rail Construction Cost Not to Exceed $1M

- Current $750k Cap
- Ensure Program Remains Impactful to Larger Scale Investment

Next Steps

Today

- Consider Policy Recommendations

October

- Resolution of Approval

Next Step

- Update Guidance and Advertise Program

VDOT

Virginia Department of Transportation

SMART SCALE PROPOSED PROJECT CANCELLATIONS

Monticello Ave-Richmond Rd-Lafayette St Roundabout (UPC 115505)

Southside Bicycle and Pedestrian Improvements (UPC 123054)

Jason Robinson, IID Director

September 15th, 2026

SMART SCALE Proposed Project Actions

- Review CTB Policy for SMART SCALE Cancellations
- Review 2 proposed cancellations both in the Hampton Roads District
- CTB Action in October 2026

SMART SCALE Proposed Project Cancellations

SMART SCALE Policy on Project Cancellation, December 2023

- A project that has been selected for funding through either the High Priority Projects Program or Construction District Grant Program may be cancelled only by action of the Board

Proposed Cancellation of Monticello Ave-Richmond Rd-Lafayette St Roundabout (UPC 115505)

Project Information

Monticello Ave-Richmond Rd-Lafayette St Roundabout (UPC 115505)

- Submitted by the City of Williamsburg in Round 3 of SMART SCALE
  - Total Original Project Cost: $6,381,090
  - Total SMART SCALE Request: $6,381,090
  - Request funded with DGP funds
- Original Scope Included:
  - Conversion of the existing signalized intersection at Monticello Ave, Richmond Rd, and LaFayette St to a roundabout
  - Replacement of sidewalk and add pedestrian refuge islands and new crosswalks at each leg of the roundabout
- Benefits were primarily due to Land Use, Economic Development, and Safety

Project Snapshot

	Original Application
Total $	$6,381,090
SMART SCALE $	$6,381,090 (DGP)
SMART SCALE Score	1.88
Funding Scenario Rank	24/32
Current Expenditures	$0 (as of 8/6/2026)

Change Since Project Selection

- The cost for the project has escalated since its original application submittal in 2018 from $6,381,090 to $10,569,000.
- Based on the significantly increased cost estimate in relation to its public benefit, the City has elected to focus additional local funding on other higher priority transportation improvements. As such, the City Council no longer desires to pursue the Monticello Avenue Richmond Road-Lafayette Street Roundabout Project.
- The City of Williamsburg City Council resolved in June 2026 to formally request cancellation.

Proposed Cancellation of Southside Bicycle and Pedestrian Improvements (UPC 123054)

Project Information

Southside Bicycle and Pedestrian Improvements (UPC 123054)

- Submitted by the City of Norfolk in Round 5 of SMART SCALE
  - Total Original Project Cost: $4,622,714
  - Total SMART SCALE Request: $3,606,814
  - Request funded with DGP funds
- Original Scope Included:
  - Removal of on-street parking and decrease the number of travel lanes
  - Construction of buffered and protected bike lanes along with a short sidewalk and installation of high-visibility crosswalks with accessible ramps as well as add a pedestrian-activated crossing beacon.
- Benefits were primarily due to Land Use, Safety, Accessibility, Environment, and Congestion

Project Snapshot

	Original Application
Total $	$4,622,714
SMART SCALE $	$3,606,814 (DGP)
SMART SCALE Score	38.05
Funding Scenario Rank	4/27
Current Expenditures	$0 (as of 8/6/2026)

Change Since Project Selection

- **UPC 123054 was intended to serve as a subsequent phase of a previously funded and underway project (Southside Bike Lane Network UPC 115424) which was funded with RSTP funds through the Hampton Roads TPO and included a similar scope of work.**
  - **The project was delayed in reaching construction. At a spring public meeting with the Southside Task Force and Civil League leadership, there was significant opposition to the underway project and the City moved to cancel it.**
- **With the Southside Bike Lane Network project no longer advancing, the City determined the companion SMART SCALE project was no longer supported.**
- **The City of Norfolk concurs with the cancellation and provided a letter to VDOT requesting cancellation on 8/25/2026.**

Recommendation for Action

- **Approve proposed project cancellations in October 2026**
  - **Transfer all Highway Construction District Grant Program funds to the Hampton Roads District Deallocation Balance Entry (UPC -21763)**

VDOT

Virginia Department of Transportation

SMART SCALE Round 3 Consensus Scenario
Date as of June 2019
Proposed Budget Change for Bristol District UPC 115486

App ID	UPC	District	Organization	Description	Benefit	Project Total Cost	SMART SCALE Request	SMART SCALE Score
4086	115734	Bristol	Tazewell County	Route 460 Corridor Improvements	3.78	$ 3,597,000	$ 3,597,000	10.50
3802		Bristol	Smyth County	US Route 11 / SR 660 Roundabout South	3.61	$ 3,607,316	$ 3,607,316	10.02
3736	115540	Bristol	Wythe County	Progress Park Connector	11.65	$ 23,684,000	$ 12,857,000	9.06
~~3836~~	~~115486~~	~~Bristol~~	~~Bristol City~~	~~Lee Highway and Euclid Avenue Roundabout~~	~~2.10~~	~~$ 2,825,000~~	~~$ 2,825,000~~	~~7.43~~
4029	115481	Bristol	Abingdon Town	Hillman Highway & Old Eleven Drive Intersection Improvements	0.36	$ 668,000	$ 668,000	5.36
4031	115484	Bristol	Abingdon Town	Russell Road & Poplar Street Intersection Improvements	0.34	$ 765,000	$ 765,000	4.40
5039	115482	Bristol	Bluefield Town	College Avenue Traffic Sginal Syncronization	0.35	$ 859,000	$ 859,000	4.09
4345		Bristol	Washington County	U.S. Route 58 at U.S. Route 11 Roundabout	2.91	$ 7,840,608	$ 7,840,608	3.71
3704	115480	Bristol	Grayson County	SR 89 AT SR 613 Realignment	1.46	$ 4,068,990	$ 4,068,990	3.60
3617	115470	Bristol	Bland County	US Route 52 Intersection Safety Enhancements	1.55	$ 4,491,045	$ 4,491,045	3.45
4052		Bristol	Scott County	US 23 at Hilton Road	0.72	$ 2,203,993	$ 2,203,993	3.27
3750		Bristol	Wytheville Town	12th Street Road Diet	1.06	$ 3,248,775	$ 3,248,775	3.26
3836	**115486**	**Bristol**	**Bristol City**	**Lee Highway and Euclid Avenue Roundabout***	**2.10**	**$ 9,266,636**	**$ 6,618,612**	**3.17**
3997	115483	Bristol	Norton City	US 58 Alt and US 23 NB Off-Ramp Modification	0.36	$ 1,276,000	$ 1,276,000	2.81
3804	115485	Bristol	Smyth County	US Route 11 / SR 660 Roundabout North	0.95	$ 3,572,022	$ 3,572,022	2.66
4270		Bristol	Big Stone Gap Town	Wood Ave & Shawnee Ave Realignment	0.43	$ 1,785,310	$ 1,785,310	2.40
4204		Bristol	Dickenson County	SR 83 at SR 637 Roundabout	0.96	$ 4,026,000	$ 4,026,000	2.38
4533		Bristol	Bristol City	Lee Highway 3B New	1.74	$ 7,732,000	$ 7,732,000	2.25
3834		Bristol	Bristol City	Lee Highway Phase 3A	1.26	$ 5,827,000	$ 5,827,000	2.16
4187		Bristol	Washington County	US Route 19 Corridor Improvements	3.15	$ 15,592,000	$ 15,592,000	2.02
3908		Bristol	Buchanan County	SR 83 Shoulder Improvements (Phase 2)	1.55	$ 7,969,922	$ 7,969,922	1.95
3907		Bristol	Abingdon Town	French Moore Boulevard Extension	3.68	$ 19,951,226	$ 19,951,226	1.85
4760		Bristol	Tazewell County	US 460 and US 19 Intersection Improvements	1.22	$ 7,810,439	$ 7,810,439	1.56
3751		Bristol	Marion Town	U.S. Route 11 at Chatham Hill Rd Turn Lane Improvement	0.30	$ 2,196,630	$ 2,196,630	1.36
3723		Bristol	Russell County	US 19 EB Horizontal Curve Improvements	0.65	$ 4,987,515	$ 4,987,515	1.31
4307		Bristol	Washington County	U.S. Route 58/U.S. Route 11 a Maringo Rd	0.60	$ 5,316,342	$ 5,316,342	1.12
3743		Bristol	Wytheville Town	I-77 Exit 41 Ramp Modifications	0.97	$ 10,997,552	$ 10,997,552	0.88
4778		Bristol	Wise County	US58 at Tacoma Mountain Realignment	0.43	$ 5,420,000	$ 5,420,000	0.79
4334		Bristol	Washington County	U.S. Route 11 Widening	1.47	$ 22,010,719	$ 20,281,165	0.72
3837		Bristol	Bristol City	Moore Street, Oakview Avenue and MLK Jr. Blvd Roundabout	0.19	$ 2,609,000	$ 2,609,000	0.72
3885		Bristol	Bristol Metropolitan Planning Organization	Lee Highway Widening Phase 3	0.97	$ 13,559,000	$ 13,559,000	0.72
4191		Bristol	Lee County	US58Alt Between Mulberry St and River Bend Dr	0.14	$ 2,297,545	$ 2,297,545	0.61
4048		Bristol	Scott County	US 23-58 at Kane Street	0.09	$ 1,749,800	$ 1,749,800	0.54
4276		Bristol	Big Stone Gap Town	5th St & Clinton Ave Right Turn Lane	0.02	$ 464,808	$ 464,808	0.46
3719		Bristol	Cumberland Plateau Planning District Commission	Coalfields Expressway Rte 121/460 Poplar Creek Phase B	9.17	$ 275,072,341	$ 275,072,341	0.33
3729		Bristol	Cumberland Plateau Planning District Commission	Coalfields Expressway (Rte 121) - Doe Branch	8.31	$ 261,341,284	$ 261,341,284	0.32
4344		Bristol	Big Stone Gap Town	5th St & Gilley Ave Roundabout	0.12	$ 5,126,997	$ 5,126,997	0.23
4197		Bristol	Lee County	US421 at SR606	0.09	$ 3,981,770	$ 3,981,770	0.23
4269		Bristol	Bluefield Town	State Route 746 Extension to College Avenue	0.11	$ 4,965,117	$ 4,965,117	0.21
3740		Bristol	Buchanan County	SR 83 Shoulder Improvements (Phase 1)	0.14	$ 9,975,469	$ 9,975,469	0.14
3775		Bristol	Scott County	Route 58 Climbing Lane	0.04	$ 6,437,541	$ 6,437,541	0.07
3718		Bristol	Russell County	Route 80 Project 1	0.00	$ 8,667,489	$ 8,667,489	0.00
3910		Bristol	Buchanan County	SR 83 Shoulder Improvements (Phase 4)	0.00	$ 7,978,158	$ 7,978,158	0.00
4189		Bristol	Lee County	US58 and Curt Russel Road Realignment	0.00	$ 4,144,478	$ 4,144,478	0.00
3909		Bristol	Buchanan County	SR 83 Shoulder Improvements (Phase 3)	0.00	$ 7,785,289	$ 7,785,289	0.00

Project funded with Construction District Grant Funds
Project funded with High Priority Projects Funds
Project funded with both Construction District Grant Funds and High Priority Projects Funds
* **Rank based on proposed budget increase and revised score**

SMART SCALE Round 4 Consensus Scenario

Date as of May 2021

Proposed Budget Change for Staunton District UPC 119644

App ID	UPC	District	Organization	Description	Benefit Score	Project Total Cost	SMART SCALE Request	SMART SCALE Score
6813		Staunton	BRITE Transit	BRITE Pedestrian Improvements: Route250 & Sangers Lane	6.26	$ 1,951,810	$ 1,951,810	32.09
6703	119648	Staunton	Harrisonburg-Rockingham Metropolitan Planning Organization	Mount Crawford Park and Ride Lot Improvements	5.95	$ 3,047,898	$ 3,047,898	19.52
6815	119655	Staunton	BRITE Transit	BRITE Pedestrian Improvements	7.24	$ 4,156,791	$ 4,156,791	17.41
6831	119662	Staunton	Harrisonburg City	Port Republic Road Turn Lane and Sidewalk	3.05	$ 2,924,947	$ 2,833,667	10.76
6935	119663	Staunton	Warren County	Rte. 340/522 Corridor SafetyImprovements	1.69	$ 1,699,074	$ 1,699,074	9.93
7099	119652	Staunton	Harrisonburg-Rockingham Metropolitan Planning Organization	Port Republic Rd Corridor Improvements	3.94	$ 4,101,619	$ 3,979,043	9.91
6738	119660	Staunton	Augusta County	Weyers Cave Road (Rt. 256) Turn LaneProject	8.40	$ 8,508,915	$ 8,508,915	9.87
6736	119659	Staunton	Staunton-Augusta- Waynesboro Metropolitan Planning Organization	Rosser Avenue (Route 340) Corridor Improvements	1.47	$ 1,559,272	$ 1,559,272	9.40
7165	119649	Staunton	Winchester City	Pleasant Valley Road Access Managementnear Spring Street	0.19	$ 202,978	$ 202,978	9.27
6939	119641	Staunton	Augusta County	US 11 South of Staunton STARS StudyRecommendations	2.32	$ 2,556,277	$ 2,556,277	9.09
7141	119647	Staunton	Harrisonburg City	S. Main and I-81 Exit 243 InterchangeImprovements	3.72	$ 5,731,025	$ 5,031,025	7.39
6814		Staunton	BRITE Transit	BRITE Pedestrian Improvements:Route 250 & Lew Dewitt Blvd	0.63	$ 872,593	$ 872,593	7.18
6702	119664	Staunton	Front Royal Town	South Street	2.17	$ 3,241,482	$ 3,241,482	6.70
6701	119657	Staunton	Central Shenandoah Planning DistrictCommission	Commerce Road/Lewis Creek Greenway	2.84	$ 4,256,402	$ 4,256,402	6.66
6852	119656	Staunton	Central ShenandoahPlanning District Commission	Greenville Avenue (US 11) Road Diet	2.39	$ 3,727,694	$ 3,727,694	6.41
7166	119650	Staunton	Winchester City	Pleasant Valley Road Access Managementat Parkview	0.46	$ 829,668	$ 829,668	5.56
6731	119651	Staunton	Staunton-Augusta- Waynesboro Metropolitan Planning Organization	Richmond Road (US 250) and Crossing Way Shared Use Path	2.16	$ 4,124,210	$ 4,124,210	5.24
7098	119661	Staunton	Central Shenandoah Planning DistrictCommission	N. Main Street Sidewalk	1.13	$ 2,512,305	$ 2,241,025	5.05
7139	119645	Staunton	Harrisonburg City	S. Main Street Safety Improvements	1.15	$ 2,661,287	$ 2,592,827	4.45
7125	119653	Staunton	Rockingham County	Smithland Road (Route 720) Widening	1.54	$ 3,556,131	$ 3,556,131	4.33
7075	119643	Staunton	Waynesboro City	US 250 (West Main Street) CorridorImprovements	4.73	$ 12,574,827	$ 12,574,827	3.77
6953		Staunton	Northern Shenandoah Valley RegionalCommission	Route 42 Corridor Improvements - East	0.94	$ 2,678,467	$ 2,678,467	3.52
6901	119658	Staunton	Augusta County	Hermitage Rd (Rt. 254) IntersectionImprovements	0.98	$ 2,902,266	$ 2,902,266	3.39
6769		Staunton	Waynesboro City	Broad Street Streetscape	2.37	$ 7,190,364	$ 7,190,364	3.30
6940	119642	Staunton	Woodstock Town	Route 42 - Ox Road IntersectionImprovement	1.30	$ 4,447,003	$ 4,447,003	2.91
6962		Staunton	Frederick County	Exit 317 NB Ramp Realignment to RedbudRd Location	2.00	$ 6,943,514	$ 6,943,514	2.88
6871		Staunton	Win-Fred MetropolitanPlanning Organization	Route 11/Old Charles Town Roundabout	1.81	$ 6,357,196	$ 6,357,196	2.85
7028		Staunton	Warren County	Rte. 55 West & Rte. 678/610 IntersectionImprovements	1.20	$ 4,402,022	$ 4,402,022	2.72
~~7131~~	~~119644~~	~~Staunton~~	~~Northern ShenandoahValley Regional Commission~~	~~Route 7 STARS Access Management Projects~~	~~0.24~~	~~$ 999,624~~	~~$ 999,624~~	~~2.45~~
6941		Staunton	Woodstock Town	Route 42 Corridor - West	0.70	$ 3,282,147	$ 3,282,147	2.15
6845		Staunton	Harrisonburg City	Pear St/Erickson Ave Modified RCUT	0.62	$ 3,083,101	$ 2,960,525	2.11
7097		Staunton	Harrisonburg-Rockingham Metropolitan Planning Organization	Bluestone Trail Extension	1.90	$ 9,440,699	$ 9,148,603	2.08
7131	**119644**	**Staunton**	**Northern ShenandoahValley Regional Commission**	**Route 7 STARS Access Management Projects***	**0.24**	**$ 1,765,884**	**$ 1,765,884**	**1.39**
6963		Staunton	Frederick County	Route 11 - Shawnee Improvement	0.54	$ 4,597,859	$ 4,597,859	1.18
6934		Staunton	Augusta County	US 250 West of Waynesboro STARS StudyRecommendations	0.49	$ 4,297,278	$ 4,297,278	1.15
7160		Staunton	Winchester City	Pleasant Valley Road - Featherbed LaneRoadway Improvements	0.55	$ 5,448,627	$ 5,448,627	1.01
6865		Staunton	Win-Fred MetropolitanPlanning Organization	Exit 317 Interchange Improvement Project	3.94	$ 40,394,121	$ 40,394,121	0.98
6944		Staunton	Warren County	Rte. 55 & High Knob Rd. IntersectionImprovements	0.32	$ 3,356,049	$ 3,356,049	0.95
6812		Staunton	BRITE Transit	BRITE Pedestrian Improvements: Route 11& Dick Huff Lane	0.09	$ 1,439,945	$ 1,439,945	0.62
7197		Staunton	Covington City	Paper Trail Pedestrian Bridge	0.41	$ 6,919,027	$ 6,919,027	0.59
7113		Staunton	Buena Vista City	Rt 60/Rt 501 Pedestrian Improvements	0.06	$ 954,165	$ 954,165	0.58
6735		Staunton	Staunton-Augusta- Waynesboro Metropolitan Planning Organization	Woodrow Wilson Complex Long Term Access Improvements	0.99	$ 20,840,440	$ 20,840,440	0.47
7044		Staunton	Waynesboro City	Crozet Tunnel Trail	0.26	$ 10,020,189	$ 10,020,189	0.26
6954		Staunton	Woodstock Town	Ox Road Bicycle and PedestrianImprovements	0.09	$ 3,870,269	$ 3,870,269	0.23
7173		Staunton	Covington City	East Madison Sidewalk Improvements	0.06	$ 2,534,922	$ 2,534,922	0.22
7067		Staunton	Woodstock Town	Water Street Bicycle and PedestrianImprovements	-	$ 5,622,743	$ 5,622,743	-

Project funded with Construction District Grant Funds

Project funded with High Priority Projects Funds

Project funded with BOTH Construction District Grant Funds and High Priority Projects Funds

* **Rank based on proposed budget increase and revised score**

VDOT

Virginia Department of Transportation

DEVELOPMENT AND DELIVERY - Continued

DEVELOPMENT AND DELIVERY - CONTINUED

Proposed Updates to SYIP Development and Management Policy

Jason Robinson
Infrastructure Investment Director

September 15th, 2026

Purpose and Background

Purpose

- Present proposed updates to Six-Year Improvement Program (SYIP) Development and Management Policy that will be voted on at the October 2026 CTB Action meeting
- VDOT to memorialize project development timeframe expectations for all projects in the SYIP

Background

- This presentation is a follow up to the Chief Engineer's presentation for On-Time / On-Budget Performance and the presentation on proposed updates to the Revenue Sharing Program provided to the Board in July 2026
- VDOT has implemented a Portfolio Management approach for SYIP execution to ensure financial resources are fully leveraged and construction project throughput is aligned with funding

Current CTB Policy - Overview

- **Last Updated by CTB in March 2024 to reflect federal and state regulatory adjustments**
- **Development Section of the Policy**
  - Outlines major funding programs to be included in SYIP, timing of updates to various funding programs, timing of required actions, and requirements for funding and advancing projects in the SYIP
- **Management Section of the Policy (Proposed Updates)**
  - Guides major functions and actions within the SYIP on an ongoing basis
  - Outlines expectation that reasonable attempts will be made during design to bring projects within budget while maintaining original purpose and need

Current CTB Policy – Relevant Highlights

- **Management – Part F:**
  - ***"Subject to the provisions governing each of these programs, 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."***
- **Management – Part G:**
  - ***"In the event a locally-administered project is not advanced to the next phase of construction when requested by the Board, the locality may be required, pursuant to 33.2-214 of the Code of Virginia, to reimburse VDOT for all state and federal funds expended on the project.***

NOTE – While individual funding programs may have *some* project timeline expectations, there is *no* SYIP-wide policy that holds projects accountable for advancing within expected timeframes

Current Funding Program Timeline Examples

- **Per the Appropriation Act:**
  - **CMAQ & RSTBG Funding**
    - Allocations must be obligated (which assumes initiation) within 1 year of budgeted allocation and obligations must be expended within 3 years of obligation (functionally applies by project phase however)
- **Per CTB Policy:**
  - **Transportation Alternatives (TAP)**
    - Projects must reach construction advertisement within 4 years of project initiation
  - **SGR Local Paving**
    - Projects must reach construction advertisement within one year of budgeted allocation
  - **SMART SCALE**
    - Projects must be initiated and at least a portion shall be expended within one year of budgeted allocation

Proposed Updates

- **Projects shall progress within expected timeframes and in a manner consistent with the VDOT Commissioner's Memorandum on SYIP Portfolio Management dated January 29, 2025, including any future supplements to such guidance.**

- **For projects that are not advanced to the next phase of construction within the Department's expected timeframes, the Department will make recommendations to the Board to either *a) cancel projects, b) deallocate project funding, or c) request additional action.***

- **The Department will provide information to the Board on projects exceeding these timeframes and making slow progress toward construction; this information and the Department's recommendations will be provided in conjunction with the SYIP update process for the Board's use in project selection processes**

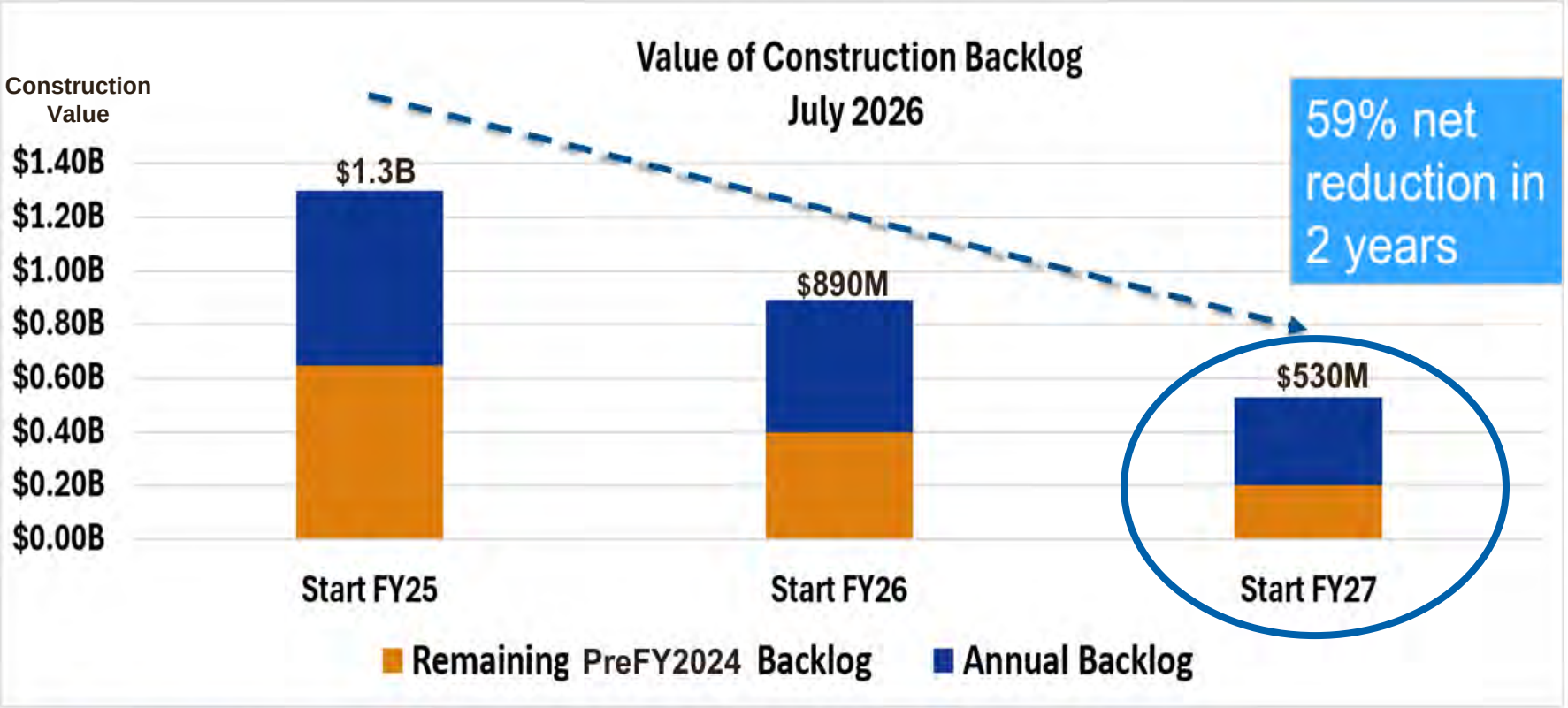
Potential Impact of Updated Policy

- **There are over 4,300 "active" projects in the FY2027-2032 SYIP**
  - **Definition of "active" projects:**
    - Projects not yet funded to start
    - *Projects in design ("in development")* or construction ("in delivery")
    - Physically completed projects progressing through financial closeout
- **Currently there are approximately 1,000 projects* that are in development and progressing toward construction**
    - ~51% VDOT Administered for ~$10 Billion in Total Cost
    - ~49% Locally Administered for ~$4.5 Billion in Total Cost
      - Projects include a combination of Preliminary Engineering (PE), Right of Way Acquisition / Utility Relocation (RW), and Construction (CN) phases

*excludes studies, unpaved road projects, and projects scheduled to start in future fiscal years

Potential Impact of Updated Policy - Examples

Construction Backlog

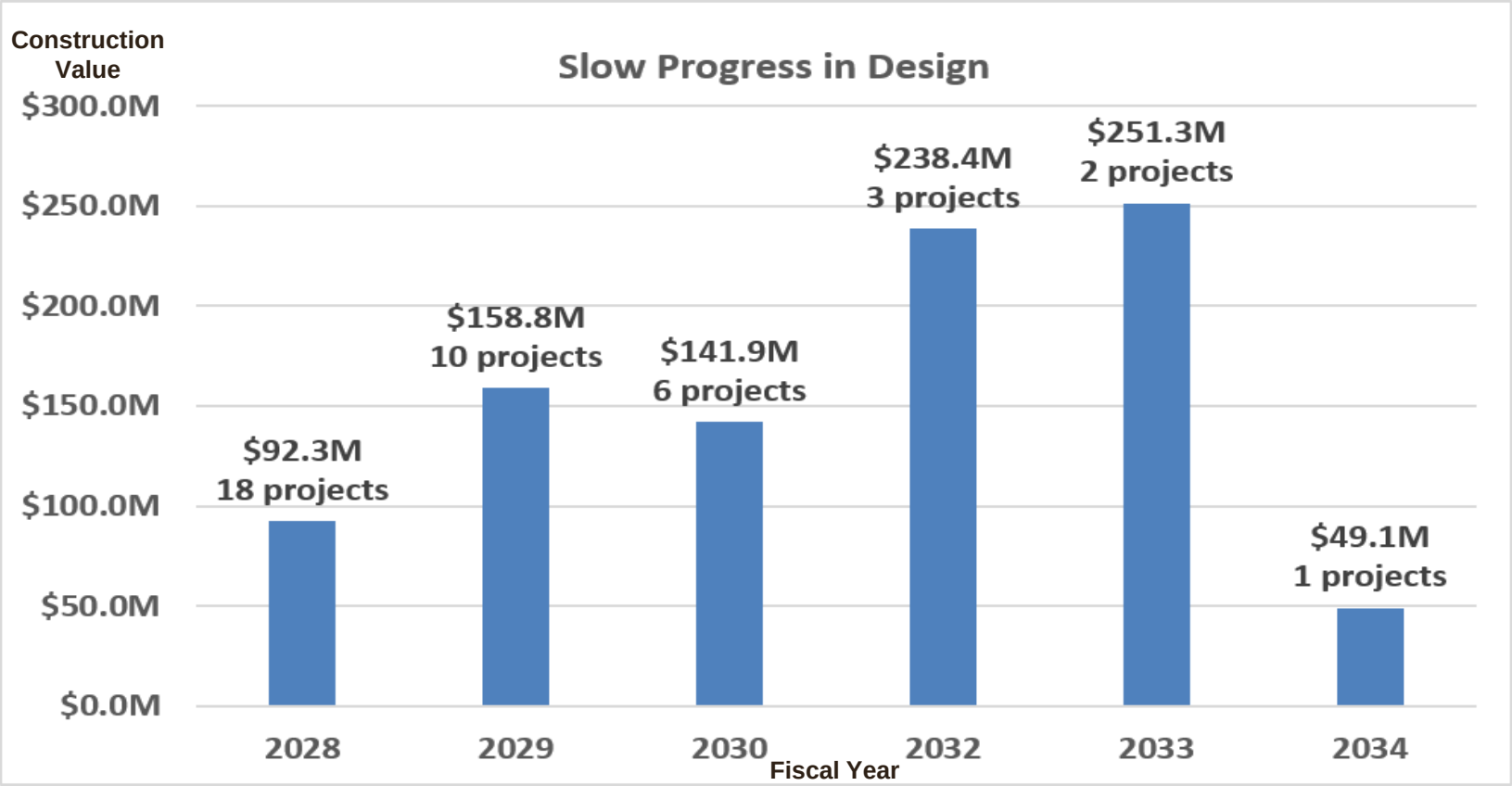


- Pre-FY2024 Backlog = projects scheduled for construction before FY2024
- Annual Backlog = net addition / reduction since start of FY2025

- There are currently 82 projects in the FY27 Construction Backlog
- 23 of these projects are scheduled for construction beyond FY2027
- These represent approximately $298 Million of construction value

Potential Impact of Updated Policy - Examples

Slow Progress Projects* Currently in the SYIP



- Extended preliminary engineering phases averaging 8.5 years between initiation and scheduled construction
- Approximately $932 Million of construction value
- Require additional coordination to prevent further delays in reaching construction.

*Slow Progress Projects are those projects that exceed benchmark timeframes in the Commissioner's Memorandum for Portfolio Management not scheduled for construction in the current fiscal year

Potential Impact of Updated Policy

- **Major Takeaways**
  - ***Most*** projects in the SYIP proceed within expected or reasonable durations.
    - 2.5 to 4.5 years on average depending on size, complexity, or other factors.
    - Projects initiated since VDOT's shift to a Portfolio Management approach (FY2025), on average, have shorter timeframes
    - This policy update will support highlighting and proactively addressing projects that make *slow progress* toward construction

While a small number of projects in development (by count) represent an elevated risk (63 out of ~1,000 in development), they also represent significant investment (~$1.23 Billion of construction value)

Proposed Role of the CTB in Monitoring

- **VDOT will continue internal monitoring and stakeholder coordination on projects making slow progress looking to proactively address delays**
- **VDOT will provide the CTB with information on projects making slow progress toward construction in conjunction with the SYIP Development process and project selection cycles**
- **Upon VDOT's recommendation, the CTB may take one of the following actions*:**
  - Cancellation of a project
  - Deallocation of project funding
  - Request additional action
    - Examples of additional actions – VDOT assumes administration of the project, request the project to advance within certain timeframes, etc.

*subject to governing provisions of individual funding program policies

Next Steps

- **CTB to vote on proposed policy update at its October 2026 Action Meeting**

- **VDOT will review the progress of projects in the Construction Backlog and projects making slow progress to construction**

- **VDOT will share information with the Board regarding the continued advancement of projects making slow progress toward construction in conjunction with SYIP Development Process and ahead of SMART SCALE Round 7 Consensus Scenario Development**
    - This also includes sharing overall locality performance results from the Locality Sustained Performance Program (LSPP) for consideration in project selection

COMMONWEALTH of VIRGINIA

DEPARTMENT OF TRANSPORTATION

Stephen C. Brich, P.E.
Commissioner

1221 East Broad Street
Richmond, Virginia 23219

(804) 482-5818

MEMORANDUM

September 4, 2026

TO: Chiefs
District Engineers
Central Office Division Administrators
District Project Development Engineers
District Planning and Investment Managers

FROM: Stephen C. Brich, P.E.

SUBJECT: FY2027 Supplement on Portfolio Management

VDOT's mission is to plan, deliver, operate, and maintain a transportation system that is safe, enables easy movement of people and goods, enhances the economy, and improves our quality of life. Each project we deliver brings significant benefits to the traveling public, whether in the form of improving safety or reducing congestion.

In response to the rapid, concurrent growth in the financial value of the Six-Year Improvement Program (SYIP) over the last decade, I issued an executive memorandum in January 2025 outlining VDOT's shift towards a portfolio management approach. Since that time, we have successfully worked to align policies, procedures, priorities, expectations, and metrics with the following desired outcomes:

- Bring stability and predictability to the program
- Establish a pipeline that ensures successful obligation of federal funds
- Fully leverage financial resources
- Meet industry commitments and capacity
- Achieve established performance targets
- Make efficient use of internal and external resources
- Understand and adapt to the anticipated impact of new legislation, regulations, or policies

VDOT, localities, and industry partners must maintain this progress to ensure that project execution remains aligned with funding levels. The Department, and its local partners, have increased and prioritized the output in the construction program by intentionally balancing the number and size of projects and resources available with the increased revenues as well as focusing on the timelines with which projects are delivered.

By copy of this supplemental memorandum, I am re-affirming VDOT's expectation that we will continue to grow and improve our Portfolio Management approach to executing the SYIP. This memorandum also provides updated expectations for project development durations and alignment with Commonwealth Transportation Board (CTB) SYIP Development and Management Policy.

To successfully sustain construction program project throughput to fully leverage financial resources, all participants in the project development process must continue to observe the following four priorities:

(1) Focus on Timely Execution of Projects
(2) Eliminate the Current and Future Backlog of Projects
(3) Keep Projects on Schedule
(4) Align Guidance and Direction Related to the Six-Year Improvement Program (SYIP) Project Funding

Priority 1 – Focus on Timely Execution of Projects

Projects are expected to advance at a pace consistent with the timeframes in Table 1 below, which updates benchmark project development timeframes for three (3) project categories. Projects tracking behind these established benchmarks will be flagged as Slow Progress and should proactively be escalated for issue resolution and schedule recovery.

Projects making slow progress toward construction, with extended schedules beyond expected timeframes or that have documented critical issues making timely development and construction advertisement unlikely, thus eroding the value and benefits for which a project was selected, will be evaluated for potential recovery, continued advancement, and/or potential re-programming by the CTB in conjunction with SYIP development processes.

Table 1. Benchmark for Expected Project Development Timeframes

Project Type*	PE to CN
Tier 1 with Right of Way or Tier 2	4.5 years**
Tier 1 no Right of Way	2.5 years
Tier 1 CN only	6 months

***Tier 1 = Construction value less than $15 million; Tier 2 = Construction value $15 million or greater or design-build procurement**
****Unless funding program policy dictates a shorter duration**

Priority 2 – Eliminate the Current and Future Backlog of Projects

While VDOT strives to deliver projects on-time and on-budget, in the past, there have been many projects that have fallen behind schedule due to various reasons. While some backlog in a large

construction program is to be expected, quickly resolving issues that may delay projects, identifying ways to keep new projects from becoming part of the Construction Backlog, and minimizing the amount of time a project is part of the Construction Backlog must be a priority.

It is my expectation that once a project has been identified as part of the Construction Backlog, every effort will be made to reach construction advertisement within 12 months.

Projects that will remain on the Construction Backlog, further delaying previously scheduled construction advertisement, for more than 12 months, will be evaluated for potential recovery, continued advancement, and/or potential re-programming by the CTB in conjunction with SYIP development processes.

Priority 3 – Keep Projects on Schedule

Starting planned new phase starts is critical to increasing construction project throughput to fully leverage financial resources and bringing stability and predictability to the program.

New phase starts must begin as programmed and advance to construction at a pace consistent with the expected project development timeframes shown in Table 1. This expectation will be monitored annually by tracking progress towards starting new project phases and closing scoping on time for projects in the SYIP Portfolio. Central Office Divisions will coordinate with District leadership and external partners to advance sufficient work getting underway to ensure future construction throughput remains aligned with funding levels.

Priority 4 – Align Guidance and Direction Related to Six-Year Improvement Program (SYIP) Project Funding

There are numerous strategies and decisions that are made at the staff/division/district level to achieve a variety of objectives. These objectives are not always perfectly aligned and compete for limited staff and consultant resources and may conflict with the desired outcomes identified for the overall program.

The Chief Financial Officer Directorate will establish the overarching strategy for developing and managing the SYIP and serve as the single point of contact for funding guidance and decision-making related to projects in the SYIP. This includes, but is not limited to, ensuring alignment of individual project intake/selection processes with established desired outcomes for the current portfolio. In addition, the Director of Infrastructure Investment Division (IID) is the source of information regarding allocations and programming guidance. Questions regarding how to address funding needs on projects in the SYIP, including the appropriate timing, type, and amount of funding, will be directed through District leadership to IID, who will then coordinate with other Central Office Divisions, as needed, to resolve.

The Chief Engineer and Engineering Directorate will continue to oversee tasks related to project development and delivery of projects in the Portfolio. They will continue to identify opportunities to improve existing project development processes and tools to support these expected timeframes. If

issues impacting the timely delivery of projects cannot be resolved at the District level, with appropriate Central Office Division support, they should be elevated to the Deputy Chief Engineer for resolution in coordination with other Chiefs, as necessary.

The annual portfolio will continue to identify the amount of work to be executed in each district to fully leverage financial resources. Statewide performance monitoring metrics reviewed at various performance meetings (e.g., Monthly Project Delivery Meeting, Chief Engineer/Chief of Maintenance and Operations Quarterly Performance Meeting, etc.) will be based on the portfolio metrics identified in this memo. We will continue to review additional performance monitoring metrics for alignment with the Portfolio Management approach.

Agenda item #

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026

MOTION

Made By: **Seconded By:**

Action:

Title: Adoption of Updated Six-Year Improvement Program Development and Management Policy

WHEREAS, Section 33.2-214(B) of the *Code of Virginia* requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (SYIP) of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy; and

WHEREAS, the Board believes it is in the public interest that transportation funds be programmed to projects and strategies that demonstrate the ability to address identified transportation needs in a cost-effective manner and that such programming of funds be prioritized to advance critical projects and strategies as quickly as possible; and

WHEREAS, on March 19, 2024, the Board adopted a Six-Year Improvement Program Development Policy; and

WHEREAS, since adoption of the Six-Year Improvement Program Development Policy by the Board in March 2024, the value and number of projects advancing in the SYIP have continued to increase; and

WHEREAS, VDOT has implemented a Portfolio Management approach for the development and delivery of projects included in the SYIP to ensure financial resources under the purview of the Board are fully leveraged and with a focus on the timely and efficient delivery of projects within expected project development time frames; and

WHEREAS, the Board believes that the Six-Year Improvement Program Development and Management Policy, as set forth in Attachment A, should be adopted and used to guide development and management of the SYIP.

NOW THEREFORE, BE IT RESOLVED, that the Six-Year Improvement Program Development and Management Policy, as set forth in Attachment A, is approved; and

BE IT FURTHER RESOLVED, that the Board directs the Commissioner of Highways and the Director of the Department of Rail and Public Transportation to take all actions necessary to implement and administer this policy, including, but not limited to, update of technical, guidance, and policy documents to be consistent with the Six-Year Improvement Program Development and Management Policy adopted herein; and

BE IT FURTHER RESOLVED, that Board approval of this item replaces and supersedes the March 19, 2024 resolution titled "Six-Year Improvement Program Development and Management Policy."

###

Attachment A
Updated Six-Year Improvement Program Development and Management Policy

I. Overview

The Six-Year Improvement Program (SYIP) is developed annually and identifies the planned use of funds available for highway construction and rail and public transportation. For highway construction, the SYIP identifies for each project, the timing, amount, and type of funding planned to be available over the upcoming six years. The rail and transit programs in the SYIP identify the planned uses of available funding for transit and rail capital, as well as the planned support for transit operations and other programs administered by DRPT for the next year.

§ 2.2-229 of the Code of Virginia charges the Office of Intermodal Planning and Investment (OIPI) to oversee and coordinate with the Department of Transportation (VDOT) and the Department of Rail and Public Transportation (DRPT) the development of, for the Commonwealth Transportation Board's approval, the SYIP of the Board pursuant to § 33.2-214. Furthermore, VDOT and DRPT shall coordinate in the development of the SYIP regarding items of mutual responsibility. The SYIP shall be based on the most recent official revenue forecasts and a debt management policy.

The basis for the Draft Six-Year Financial Plan (SYFP) and Draft SYIP is driven by the official December revenue forecast provided by the Department of Taxation and program assumptions in the Governor's proposed budget. A Draft SYFP and Draft SYIP, based on these program assumptions as well as other data and programmatic assumptions are generally presented to the Commonwealth Transportation Board (Board) in April of each year. This is followed by a series of public meetings across the state. Data and assumptions that form the basis for the Draft SYFP and Draft SYIP are revised based on General Assembly actions and the Commonwealth's final biennial budget approved by the General Assembly and signed by the Governor and incorporated into the Final SYFP and Final SYIP presented to the Board for adoption in June of each year.

II. Key Funding Programs Included in the SYIP

A. Highway Construction Funding Programs
- State of Good Repair Program (SGR) pursuant to § 33.2-369; and
- High Priority Projects Program (HPP through SMART SCALE) pursuant to § 33.2-370; and
- Innovation and Technology Transportation (ITTF) pursuant to § 33.2-1531; and
- Highway Construction District Grant Programs (DGP through SMART SCALE) pursuant to § 33.2-371; and
- Unpaved Roads pursuant to § 33.2-359; and
- Interstate Operations and Enhancement Program (IOEP) pursuant to § 33.2-372; and

- Virginia Highway Safety Improvement Program (VHSIP) pursuant to § 33.2-373; and
- Special Structures Program pursuant to §33.2-374; and
- Revenue Sharing Program (RS) pursuant to §33.2-357; and
- Surface Transportation Block Grant Program set-aside for Transportation Alternatives (TAP) pursuant to § 11109 of the Infrastructure Investment and Jobs Act (IIJA); 23 U.S.C. 133; and
- Bridge Rehabilitation and Replacement Program pursuant to Title VIII of Division J of the Infrastructure Investment and Jobs Act (Public Law 117-58, 135 STAT. 429, 1420); and
- Carbon Reduction Program pursuant to § 11403 of the IIJA; 23 U.S.C. 175; and
- PROTECT Program pursuant to §11405 of the IIJA; 23 U.S.C. 176; and
- National Electric Vehicle Infrastructure Program pursuant to Title VIII of Division J of the Infrastructure Investment and Jobs Act (Public Law 117-58, 135 STAT. 429, 1421); and
- Congestion Mitigation and Air Quality Improvement Program (CMAQ) pursuant to § 11115 of the IIJA; 23 U.S.C. 149; and
- Regional Surface Transportation Program (RSTP) pursuant to § 11109; 23 U.S.C. 133.

B. Rail and Public Transportation Programs

- Transit programs pursuant to §33.2-1526.1 and 33.2-3401, including statewide operating assistance; statewide capital assistance; special; ridership incentive; WMATA operating and capital assistance; commuter assistance; human service transportation; planning, regulation, and safety; and WMATA dedicated; and
- Rail programs pursuant to §33.2-1526.4 and 33.2-1602, including rail preservation and planning and freight rail.
- Formula grant and discretionary funding distributed to DRPT and its rail and transit partners by the Federal Transit Administration and the Federal Railroad Administration.

III. Projects in the SYIP

VDOT and DRPT solicit applications on an annual basis, evaluate and prioritize potential projects based upon Board policies, and selected projects are reflected within the six-year horizon of the SYIP.

<u>Highway Construction Program</u>

Projects are included in the highway construction portion of the SYIP if they are funded through one or more of the Board's funding programs and/or administered by VDOT.

In general, it is the Board's intent to demonstrate commitment to projects selected for funding in the SYIP through one of the Board's funding programs by fully funding the

projects through construction. Section 33.2-214 of the Code of Virginia states that the Board shall only include a project or program wholly or partially funded with funds from the State of Good Repair Program pursuant to § 33.2-369, the High Priority Projects Program pursuant to § 33.2-370, the Highway Construction District Grant Programs pursuant to § 33.2-371, the Interstate Operations and Enhancement Program pursuant to § 33.2-372, or capital projects funded through the Virginia Highway Safety Improvement Program pursuant to § 33.2-373 in the Six-Year Improvement Program if the allocation of funds from those programs and other funding committed to such project or program within the six-year horizon of the Six-Year Improvement Program is sufficient to complete the project or program.

Rail and Public Transportation Program

Projects are included in the SYIP if they are funded through the Commonwealth Mass Transit Fund, the Washington Metropolitan Area Transit Authority Capital Fund, the Commonwealth Rail Fund, FREIGHT (Rail Grant), or the Shortline Railway Preservation and Development program.

IV. Timing of Updates to Various Funding Programs in the SYIP

Updates to various funding program in the SYIP will be as follows:

A. Allocations available in the following funding programs will be programmed in the SYIP annually:
   - Transit Programs pursuant to §33.2-1526.1(D); and
   - Freight Rail Programs pursuant to §33.2-1526.4 (DRPT share only) and §33.2-1602; and
   - State of Good Repair Program pursuant to §33.2-369; and
   - Regional Surface Transportation Program funds provided to metropolitan planning organizations pursuant to § 11109 of the IIJA; 23 U.S.C. 133; and
   - Congestion Mitigation Air Quality funds pursuant to § 11115 of the IIJA; 23 U.S.C. 149; and
   - Highway Safety Improvement Program pursuant to § 33.2-373; and
   - Special Structures Fund pursuant to §33.2-1532.

B. Allocations at least equivalent to those available in the fifth and sixth year of the SYIP under development for the following funding programs will be programmed in even-numbered fiscal year SYIP updates:
   - High Priority Projects Program pursuant to §33.2-370; and
   - Highway Construction District Grants Program pursuant to §33.2-371.

C. Development of the SMART SCALE program will be in accordance with the Board's Policy and Guide for Implementation of the SMART SCALE Project Prioritization Process according to the following schedule:

- October – Release of list of submitted projects to the Board and the public.
- No later than the December Board meeting

    - Consideration of a resolution to identify up to two additional projects to be evaluated and considered for funding, if necessary.
- January Board meeting
    - Release the results of the screening and analysis of candidate projects and strategies, including the weighting factors and the criteria used to determine the value of each factor no later than 150 days prior to a vote on such projects or strategies to the Board and the public pursuant to § 33.2-214.2.
    - Release and discussion of a preliminary funding scenario determined as follows
        - For purposes of determining priorities, scores will be based on benefit relative to SMART SCALE request. Scores based on benefit relative to total cost will also be provided to the Board for their consideration.
        - Step 1 – Fund top scoring projects within each district eligible for Highway Construction District Grant Program funds using Highway Construction District Grant Program funds until remaining funds are insufficient to fund the next highest scoring project.
        - Step 2 – Fund top scoring projects statewide eligible for High Priority Projects Program funds using High Priority Projects Program funds until funds are insufficient to fund the next highest scoring project.
        - Remaining balances will be reserved for allocation in a subsequent round or to address budget adjustments on selected projects according to the thresholds established in the SMART SCALE Prioritization Policy.
- April Board meeting
    - Release of the Draft SYIP, incorporating the preliminary funding scenario, for review and comment.
- May Board meeting
    - Consideration of proposed modifications to the preliminary funding scenario.
- June Board Meeting
    - Consideration of the proposed Final SYIP, incorporating approved modifications to the preliminary funding scenario, for adoption.

D. Allocations equivalent to those available in the first and second year of the SYIP under development for the following funding program will be programmed in odd-numbered fiscal year SYIP updates:
   - Surface Transportation Block Grant set-aside for Transportation Alternatives pursuant to § 11109; 23 U.S.C. 133.

E. Allocations at least equivalent to those available in the third and fourth year of the SYIP under development for the following funding program will be programmed in odd-numbered fiscal year SYIP updates:
   - Revenue Sharing Program pursuant to §33.2-357.

V. Management of the SYIP

A. Subject to the provisions governing each funding programs, the Board may adjust the timing of funds programmed to projects from previously adopted programs to meet the cash flow needs of the individual projects, maximize the use of federal funds, or to address revised revenue projections and project priorities.

B. Consistent with the Board's Systematic Review of Funding Policy, as last amended on February 18, 2015, and subject to federal/state eligibility requirements and the provisions governing each of these funding programs, as part of the annual SYIP update, funds no longer needed for the delivery of a project will be reallocated.

C. In the event of a reduced revenue forecast that impacts the funds available to support the projects previously committed to by the Board, the Board will maintain its commitment to previously approved projects by committing funds from a subsequent solicitation cycle. In the event of an increased revenue forecast that impacts the funds available for a previous solicitation cycle, the additional funds will be reserved to address budget adjustments on existing projects selected within those programs or reserved for allocation in the next solicitation cycle for those programs.

D. Subject to the provisions governing each of these programs, the scope of a project selected for funding by the Board should not be substantially modified in such a manner that the selected project no longer accomplishes substantially similar purpose and benefits as the original scope.

E. Subject to the provisions governing each of these programs, in the event the anticipated cost to deliver a project exceeds the approved budget, efforts must be made to review the scope of the project for opportunities to modify or reduce scope to bring the cost back in line with the original budget while maintaining similar benefits.

F. Subject to the provisions governing each of these programs, 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. Additionally, once a project has been initiated, projects are expected to efficiently progress to construction within expected project development timeframes and in a manner consistent with the VDOT Commissioner's Memorandum for Portfolio Management dated January 29, 2025, including any future supplements to such guidance.

G. Subject to the provisions governing each of these programs, in the event that a project is not advanced to the next phase of construction within the Department's expected project development timeframes, the Department will make a

recommendation to the Board to (i) cancel the project, (ii) deallocate project funding, or (iii) request additional action.

H. In the event a locally-administered project is not advanced to the next phase of construction when requested by the Board, the locality may be required, pursuant to §33.2-214 of the Code of Virginia, to reimburse VDOT for all state and federal funds expended on the project.

I. VDOT will provide to the Board, not less than annually and in conjunction with Draft SYIP development processes, information regarding projects, making slow progress toward construction for its use in informing the selection of additional projects for inclusion in the SYIP,

J. Transfers of allocations programmed to projects in the approved SYIP necessary to release funds no longer needed for the delivery of the projects or to provide additional allocations to support the delivery of eligible projects in the approved SYIP consistent with Board priorities for programming funds and federal/state eligibility requirements, will be provided to the Board on a monthly basis, per the Board's resolution to adopt the Six-Year Improvement Program and Rail and Public Transportation Allocations For Fiscal Years 2024 – 2029, as revised.

CTB Decision Brief

Adoption of Updated Six-Year Improvement Program Development and Management Policy

Issue: Commonwealth Transportation Board (Board) policies are systematically reviewed on an ongoing basis to identify those that are outdated or obsolete. The Six-Year Improvement Program (SYIP) Development and Management Policy was adopted by the Board in March 2024. Since March 2024, VDOT has implemented a Portfolio Management approach to executing the SYIP which outlines expected durations for projects to reach construction once being added to the SYIP. Several individual funding programs have minimal references to timeline expectations for delivery and VDOT will apply such expectations across all projects in the SYIP regardless of funding program. Updates to the SYIP Development Policy are needed.

Facts: Section 33.2-214(B) of the Code of Virginia requires the Commonwealth Transportation Board (Board) to adopt by July 1st of each year a Six-Year Improvement Program (SYIP) of anticipated projects and programs and that the SYIP shall be based on the most recent official revenue forecasts and a debt management policy. On March 19, 2024, the Board adopted a Six-Year Improvement Program Development and Management Policy. The current policy sets out the timing for allocating key funding programs, establishes the Board's general intent to fully fund projects through construction, and establishes high level policy parameters for projects and programs advancing in the SYIP.

Since adoption of the Six-Year Improvement Program Development and Management Policy by the Board in March 2024, VDOT has implemented a Portfolio Management approach to executing development and delivery of projects in the SYIP.

At its July 21, 2026 meeting, the Board was presented CTB On Time On Budget July 2026 with information pertaining to VDOT's Portfolio Management approach including:

- Observations from past years of VDOT Project Dashboard monitoring which measured success on the percentage of projects delivered on time
- Updates on the Construction Backlog whereas projects scheduled to go to construction in previous fiscal years are prioritized for recovery and critical decision making to ensure inflation does not erode the value and benefits of selected projects
- Information for VDOT's updated approach to focus on leading performance indicators that prioritize project delivery targets based on project value and benefit rather than project count
- Summary information regarding the VDOT Commissioner's Executive Memorandum for Portfolio Management outlining expectations of VDOT and Locality staff in the delivery of projects within expected timelines to successfully leverage the financial resources in the SYIP

At its September 15, 2026 meeting, the Board was presented INSERT LINK with proposed revisions to the SYIP Development and Management Policy and a draft revised policy. Proposed revisions including the following information pertaining to management sections of the policy related to expected project durations:

- Updated Management Section F to require that once projects in the SYIP have been initiated, they are expected to progress to construction within expected project development timeframes and in a manner consistent with the VDOT Commissioner's Memorandum for Portfolio Management dated January 29, 2025, including any future supplements to such guidance.
- Updated Management Section G to require that if projects do not progress to the next phase of construction within the Department's expected timeframes, the Department will make a recommendation to the Board to (i) cancel the project, (ii) deallocate project funding, or (iii) request additional action.
- Moves previous Section G language to new Section H which includes current policy language stating that in the event a locally-administered project is not advanced to the next phase of construction when requested by the Board, the locality may be required, pursuant to 33.2-214 of the Code of Virginia, to reimburse VDOT for all state and federal funds expended on the project.
- Creates new Section I stating that VDOT will provide to the Board, not less than annually and in conjunction with Draft SYIP development processes, information regarding projects making slow progress toward construction for its use in informing the selection of additional projects for inclusion in the SYIP.
- Moves previous Section H language to new Section J related to monthly transfers of allocations no longer needed for the delivery of projects or to provide additional allocations to support the delivery of eligible projects.

Aside from those noted above the Draft Revised Policy does not include any new or revised provisions not already included in another CTB Policy, federal or state code, or existing funding program requirements.

The Board was provided a Draft Revised Six-Year Improvement Program Development and Management Policy and a summary of the proposed revisions.

Recommendation: VDOT recommends that the Board approve the Revised Six-Year Improvement Program Development and Management Policy.

Action Required by CTB: The CTB will be presented with a resolution for a formal vote to approve the Revised Six-Year Improvement Program Development and Management Policy and to replace and supersede the March 19, 2024 resolution titled "Six-Year Improvement Program Development Policy."

Result, if Approved: If approved, the Revised Six-Year Improvement Program Development and Management Policy will replace and supersede the March 19, 2024resolution titled "Six-Year Improvement Program Development and Management Policy."

Options: Approve, Deny, or Defer.

Public Comments/Reactions: None

COMMONWEALTH *of* VIRGINIA

Office of the

SECRETARY *of* TRANSPORTATION

Performance-Based Planning

in Virginia's Project Pipeline

September 2026

Agenda and Goals for Presentation

PROJECT PIPELINE

- **Goal – Prepare Board to take action on new locations in October**
- **Goal - Introduce/Remind Members of Pipeline Program Purpose**
  - Performance-Based Planning/Project Development
  - Solutions hierarchy
  - National best practices
- **2026 Pipeline Study Candidate Process**
  - Candidate study identification
  - Next Steps
  - Proposed studies by District (Appendix)

Spending Limited $

Why we must rethink how we plan and invest in transportation

$5-20

per vehicle per day
just for road maintenance and parking facility costs of adding peak capacity (VTPI)

1:1

research finds that increases in highway capacity tend to induce comparable increases in vehicle travel over time, limiting long-run congestion relief (Duranton and Turner)

~50%

of urban congestion is caused by non-recurring events, not insufficient capacity (FHWA)

The question isn't whether to invest — it's how to invest strategically.

What Is Performance-Based Planning?

PROJECT PIPELINE

A Data-Driven Approach

Performance-based planning uses measurable outcomes — not assumptions — to guide transportation investment decisions. It answers the fundamental question: What strategies will deliver the greatest benefit per dollar invested?

If it’s not broke don't fix it… ensure there is a need/problem (focus on VTrans priorities)

If you can, prevent breakage from occurring… preserve/protect assets

If it's broke, try to fix what you have…

- Operational improvements
- Targeted intersection improvements
- Travel Demand Management (i.e., HOT lanes, Park and Ride, Vanpools, etc.)

After exhausting options to improve/protect what you have, then consider a new one (build more)

How Studies Are Selected & Conducted

PROJECT PIPELINE

The Project Pipeline process: from need identification to funded solutions

1 – 2 – 3 – 4 – 5

1	2	3	4	5
Identify Needs	**Scope & Analyze**	**Engage Stakeholders**	**Evaluate/Test Alternatives**	**Recommend & Seek Funding**
CTB selects study locations based on VTrans Priority 1 & 2 locations statewide	OIPI, VDOT, DRPT analyze root causes: safety, reliability, congestion, etc.	Local, regional, state and federal partners provide input through working groups and public outreach	Develop and test alternatives - seek public feedback - select preferred solution	Solutions prepared to compete for funding: SMART SCALE, Revenue Sharing, HSIP, etc.

Solution Hierarchy

PROJECT PIPELINE

Evaluate lower-cost strategies first — capacity expansion when warranted

EVALUATE FIRST

Travel Demand Management (TDM)

Telecommuting programs, transit (BRT, Bus, Rail), bike/ped, ride-sharing, and parking management. These strategies reduce the number of single-occupant vehicles on the road.

Operational & Safety Improvements

Signal optimization, access management, turn lanes, innovative intersections, intelligent transportation systems (ITS). These maximize performance of existing infrastructure.

Capacity Expansion

New lanes, new alignments, grade-separated interchanges. Reserved for situations where solutions above cannot adequately address the identified needs.

WHEN JUSTIFIED

The Evidence: TDM & Operations Work

PROJECT PIPELINE

Minneapolis–St. Paul

34-37% less traffic at office buildings with TDM plans vs. ITE-predicted rates; 17-24% fewer parking spaces needed

Spack & Finkelstein, 2014

Fairfax County, VA

63% fewer trips at 13 developments with TDM programs compared to standard ITE trip generation rates

Fairfax Co. TDM Report

Ohio DOT

1200+
Intersections

$10M in annual Transportation Systems Management and Operations (TSMO) funding; integrated signal management under TSMO umbrella; deployed smart signal technology throughout state

Signal Retiming Return-on-Investment

40:1 return on investment typical for traffic signal retiming programs — one of the most cost-effective improvements

FHWA / NTOC

When Capacity Expansion Is the Right Answer

PROJECT PIPELINE

A balanced approach acknowledges when building is necessary

Capacity Expansion IS Warranted When:

- Sustained volume-to-capacity ratios exceed thresholds even after TDM and operational improvements
- Critical safety deficiencies require geometric redesign (sight distance, lane configuration)
- Regional economic growth requires additional system capacity
- Strategic freight corridors need additional capacity for goods movement

The Key Insight

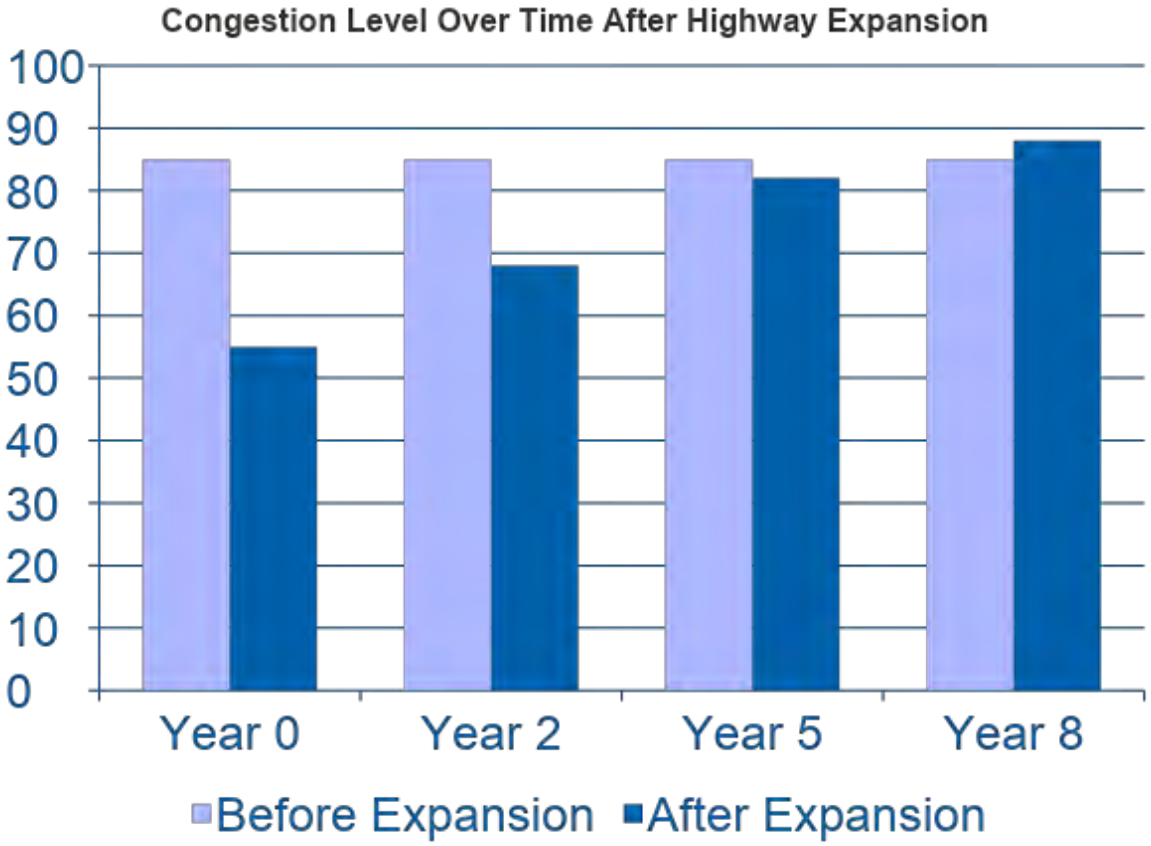
Capacity expansion isn't a problem — defaulting to it without evaluating alternatives first is. When the data supports building, the Pipeline process provides the evidence to justify the investment confidently.

Virginia Example

Project Pipeline standardized this philosophy by always looking at operational improvements and travel demand management before considering widening or capacity expansion.

Capacity Expansion Caveat: Induced Demand

Why capacity alone doesn't solve congestion long-term



1 **Handy and Boarnet (2014)**

A 10% increase in highway capacity generates approximately 10% more vehicle miles traveled

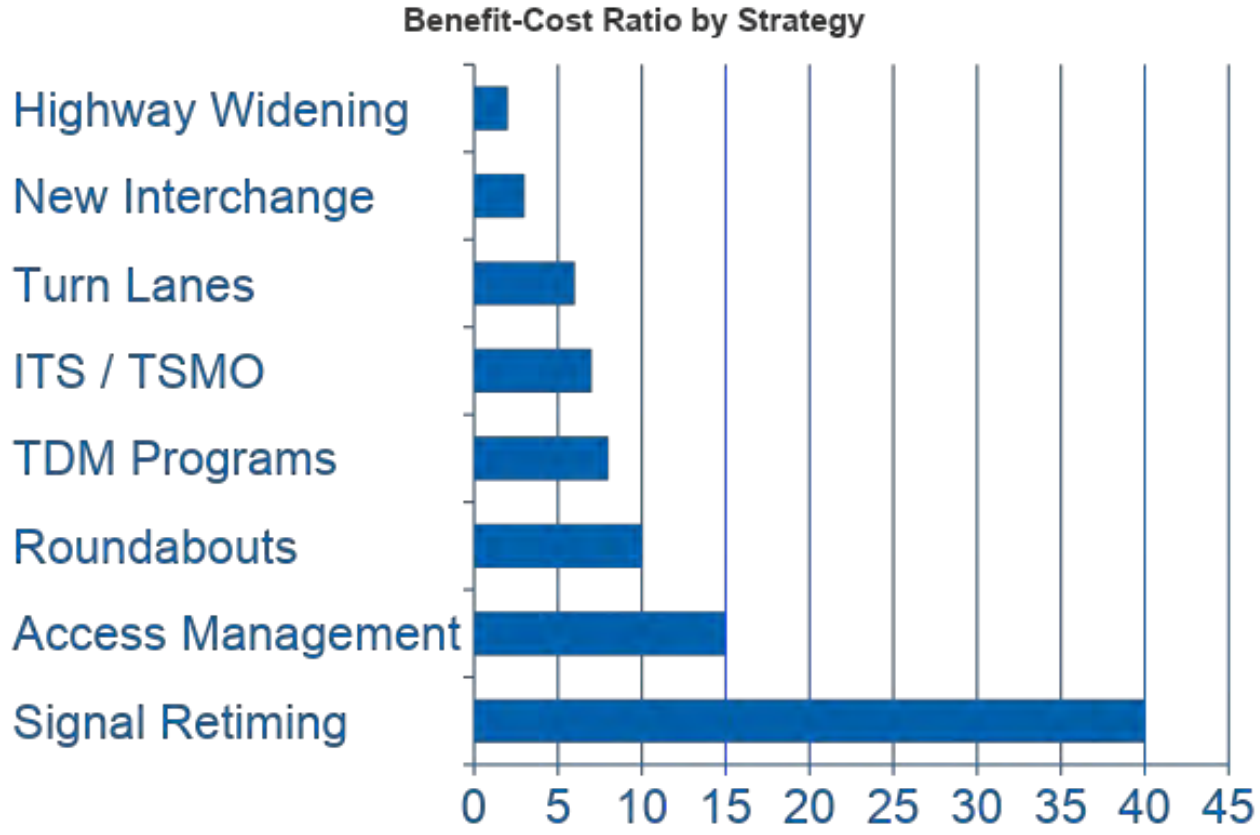
2 **UC Berkeley (Cervero)**

Within 6-8 years, roughly 80% of added capacity is absorbed by additional demand

This doesn't mean never build — it means build strategically and pair expansion with demand management.

Cost Comparison: Strategy Effectiveness

Return on investment by strategy type



Smarter Dollars

Operational strategies like signal retiming can deliver benefit-cost ratios 10-20x higher than capacity expansion, making them a powerful first option for addressing transportation challenges.

Virginia's Track Record

Pipeline study recommendations feed directly into SMART SCALE, where benefit-cost analysis is central to project selection and funding.

Note: Benefit-cost ratios are illustrative ranges based on national research by FHWA and VTPI research. Actual ratios vary by project context.

Virginia Aligns with National Best Practices

PROJECT PIPELINE

Performance-based planning leadership across the country

Ohio DOT — TSMO 2.0 Program

Secured $10M in annual Transportation Systems Management and Operations (TSMO) funding; integrated signal management under TSMO umbrella; deployed smart signal technology at 1,200+ intersections.

Texas DOT — Statewide TSMO Strategy

25 district-level TSMO plans plus 13 ITS master plans. Early wins focused on operational solutions ahead of capacity investments.

Washington State DOT — Practical Solutions

"Practical Solutions" philosophy directs planners to identify the right-sized solution for each problem before considering major expansion.

Minnesota DOT — TDM Integration

Comprehensive TDM-in-planning approach. Research showed TDM-supported buildings generate 34-37% less traffic than standard predictions.

Project Pipeline
Selecting New Study Locations

- OIPI worked with VDOT and DRPT to identify study candidates for Board consideration
- Following steps used to identify study locations:
  1. Start with VTrans priority 1 and 2 need locations
  2. Remove locations to be addressed by funded projects e.g. Six-Year Plan, NVTA, CIPs, etc.
  3. Remove locations with recent and current planning studies
  4. Look for high benefit SMART SCALE applications that were not funded
     a. Opportunity to improve project and/or reduce costs
  5. **Ongoing - Discuss study locations (see Appendix) with Board members**
  6. Board action on new study locations (October Action Meeting)

COMMONWEALTH *of* VIRGINIA

Office of the

SECRETARY *of* TRANSPORTATION

Thank you.

Appendix
Proposed 2026 Study Locations by District

Project Pipeline
Selecting New Study Locations

District	Corridor Description	Jurisdiction / Locality
Bristol	US 460 from Thru Drive to Claypool Hill Mall Drive	Tazewell
Bristol	US 11 from N 11th St & E Monroe St to Cassell Rd/ Withers Rd	Wytheville
Bristol	US 11 from Hillman Highway to Empire Drive	Abingdon
Bristol	US 421 (W State Street) at Euclid Avenue and Gate City Highway	Bristol City
Culpeper	US 29 From Alanthus Rd to Kellys Ford Rd	Culpeper County
Culpeper	US 29 & Covington's Corner	Fauquier County
Culpeper	US 29 From Matthew Mill Rd to Frays Mill Rd	Greene County
Culpeper	US 33 & Shannon Hill Rd	Louisa County
Culpeper	US 29 at Airport Road	Albemarle County
Fredericksburg	Garrisonville Rd From Staffordboro Blvd/ Mine Rd to US 1/95 ramps	Stafford County
Fredericksburg	US 1 From Truslow Rd to Warrenton Rd / Butler Rd	Stafford County
Fredericksburg	Route 207 From US 1 to Enterprise Parkway	Caroline/Spotsylvania
Fredericksburg	Route 17 (Gloucester) From Crewe Road to Coleman Bridge	Gloucester County
Fredericksburg	Route 3 From Salem Church Rd to Williams Street	Spotsylvania / City of Fredericksburg

Project Pipeline
Selecting New Study Locations

District	Corridor Description	Jurisdiction / Locality
Hampton Roads	US 258/Rte 10 From Rte 10 to Benns Grant Blvd	Carrollton
Hampton Roads	US 17 (Brewers Neck Blvd) & US 258 (Carrollton Blvd)	Carrollton
Hampton Roads	Armory Drive from US 58 (Southampton Parkway) to College Drive	Franklin
Hampton Roads	Rosemont Rd from I-264 to VA Beach Blvd	Virginia Beach
Hampton Roads	Market Dr/Atlantic St from Cloverleaf Dr to US 301 (Main St)	Emporia
Lynchburg	BUS US-29N (Central Blvd) From Boxwood Ct to Beavers Mill Rd and BUS US 29 N From Nor- Dan Dr to Davis Dr	Danville
Lynchburg	US 29 & VA-6 (River Road)	Nelson County
Lynchburg	Leesville Rd & VA-24 (Colonial Hwy)	Campbell County
Lynchburg	Mount Cross Road From Laniers Mill Rd to Mill Creek Rd	Pittsylvania County
Lynchburg	Kentuck Road From Dodson Ln to Ringgold Church Road and Ringgold Church Rd From Fire Department to Dan River HS Entrance #1	Pittsylvania County
Northern Virginia	Sycolin Road From Crosstrail Boulevard to Belmont Ridge Road	Loudoun County
Northern Virginia	VA 28 From Cockrell Rd to Commerce Ct	City of Manassas
Northern Virginia	Minnieville Rd From Caton Hill Rd to Dale Blvd	Prince William County
Northern Virginia	Rte 286 & West Ox Rd	Fairfax County

Project Pipeline
Selecting New Study Locations

District	Corridor Description	Jurisdiction / Locality
Richmond	Route 460 from Bull Hill Rd to Hines Rd	Prince George
Richmond	Route 144 Between Conduit Road & Puddledock Road	Colonial Heights
Richmond	Route 1 from Rio Vista Street to Brightpoint Drive	Chesterfield
Salem	US 460 at Laymantown Rd	Botetourt
Salem	1-81 Exit 98 (Cleburne Ave) – from Newburn Road to Alexander Road	Pulaski County
Salem	SR 24 (E Washington Ave) from Dogwood Blvd to Bedford County Line at Blue Ridge Pkwy	Vinton/Roanoke County
Salem	Melrose Ave from Lafayette Blvd to Roanoke/Salem City Limit at Barnett Rd NW	Roanoke City
Salem	Gus Nicks from US 460 to Pollard St	Roanoke City/Vinton
Staunton	I-81 Exit 315 & Route 7	Frederick County/Winchester City
Staunton	Route 37 & Route 50	Frederick County/Winchester City
Staunton	US-250 from Statler Boulevard to Sangers Lane	Staunton City

COMMONWEALTH of VIRGINIA
Office of the
SECRETARY of TRANSPORTATION

I-495 SOUTHSIDE EXPRESS LANES

Updated Project Concept and Commitments

Deputy Secretary of Transportation Carter Hutchinson

September 2026

VIRGINIA DEPARTMENT of Aviation

DMV Virginia Department of Motor Vehicles

MVDB

Office of INTERMODAL Planning and Investment

THE PORT OF VIRGINIA

VIRGINIA PASSENGER RAIL AUTHORITY

DRPT VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

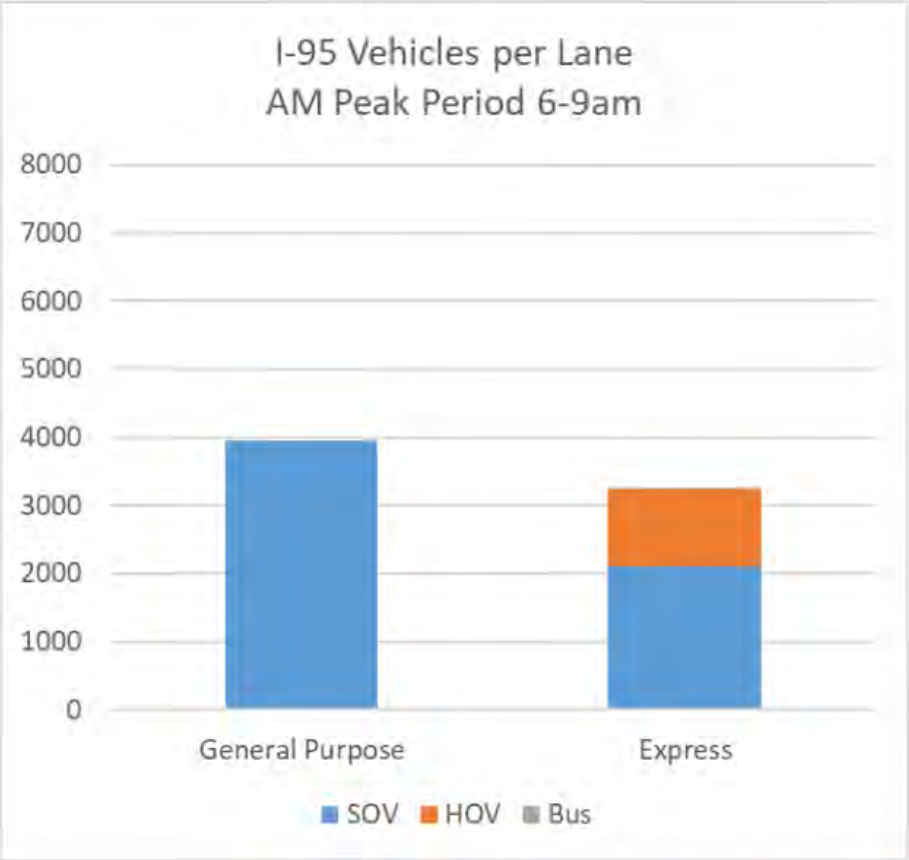
VIRGINIA SPACEPORT AUTHORITY

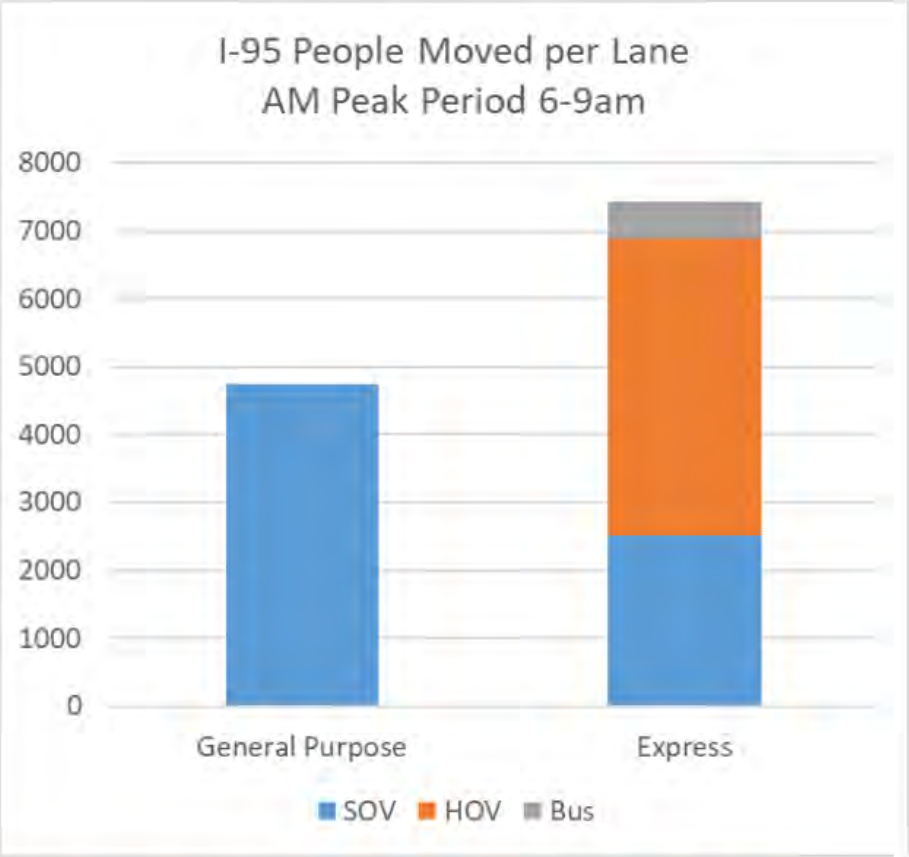
VDOT Virginia Department of Transportation

I-495 Southside Express Lanes - History

- NEPA study in Jan 2022 adding express lanes on I-495 from the Springfield Interchange across the Woodrow Wilson Bridge to the 210 Interchange
- VDOT coordinated with FHWA, MDOT, DRPT and local partners in both VA and MD
- VDOT solicited public comment several times
- Would complete missing link in NOVA express lanes network

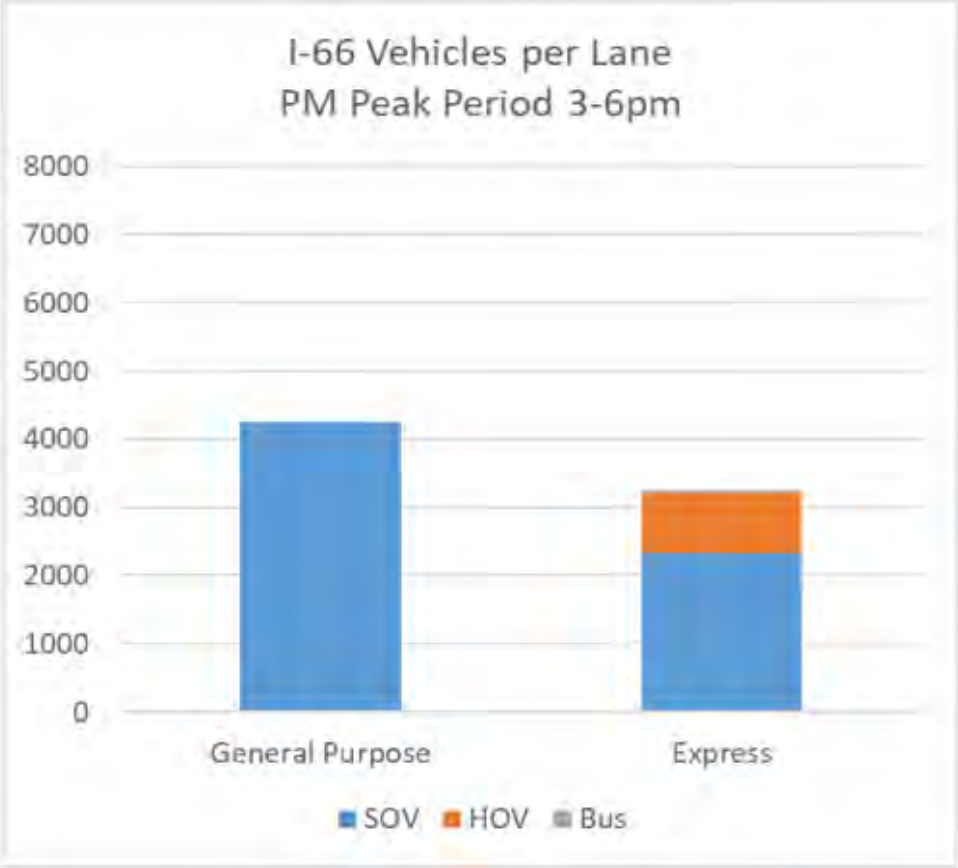
Moving More People – 95 Express Lanes

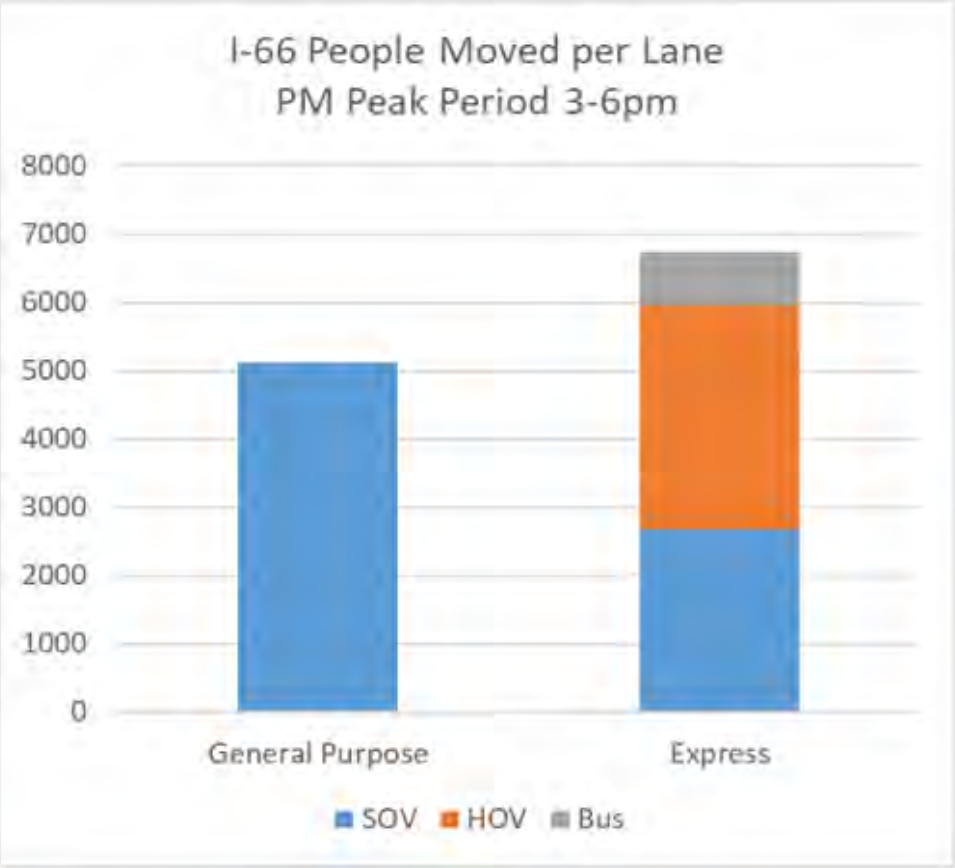




(2025) Northbound I-95, North of Interchange with Fairfax County Parkway (Rt 286)

Moving More People – 66 Express Lanes





(2025) I-66 Westbound West of Chain Bridge Road (Rt 123)

Why is Virginia Considering Express Lanes?

- **Express lanes provide fast, reliable trips for carpoolers and bus riders**

- **Revenues from express lanes help support new and enhanced transit services**
  - **I-66 Inside the Beltway has provided $120M since 2018**
  - **I-95/I-395 has provided $113M since 2019**
  - **I-66 Outside the Beltway has provided $118M since 2021**
  - **I-495 has provided $4.5M since 2025**

Will this project support transit?
Will this project hurt transit?

- Virginia supports transit as important tool and option in this corridor
- Virginia will provide region with a minimum ‘floor’ for transit funding with goal to increase amount through competitive procurement
- Working with WMATA to explore costs for rapid, frequent bus service between Huntington Metrorail station and Oxon Hill
- Revised project concept preserves WMATA space on the WWB and eliminates proposed ramps that complicate future WMATA expansion

Why Isn't Virginia Advancing a WMATA Solution today?

- Virginia supports the region's plan to add Metrorail across the Bridge
- Expansion of Metrorail would require a minimum 50% non-federal share—equivalent to billions of dollars
- An Express lane project is not anticipated to require a tax-supported contribution as tolls from new lanes will pay for full cost of project
  - These funds cannot be redirected to pay for Metrorail as they only exist with the project

Why is Virginia Proposing to Use Private Sector Partner?

- Virginia has not made the decision on whether the express lanes will be publicly or privately operated

- Regardless of the operator, Virginia will approve key standards for the project, including:
  - Project scope, including ramps
  - On-going financial support for new transit service
  - Free trips for carpoolers

Why is Virginia Proposing to Use Private Sector Partner?

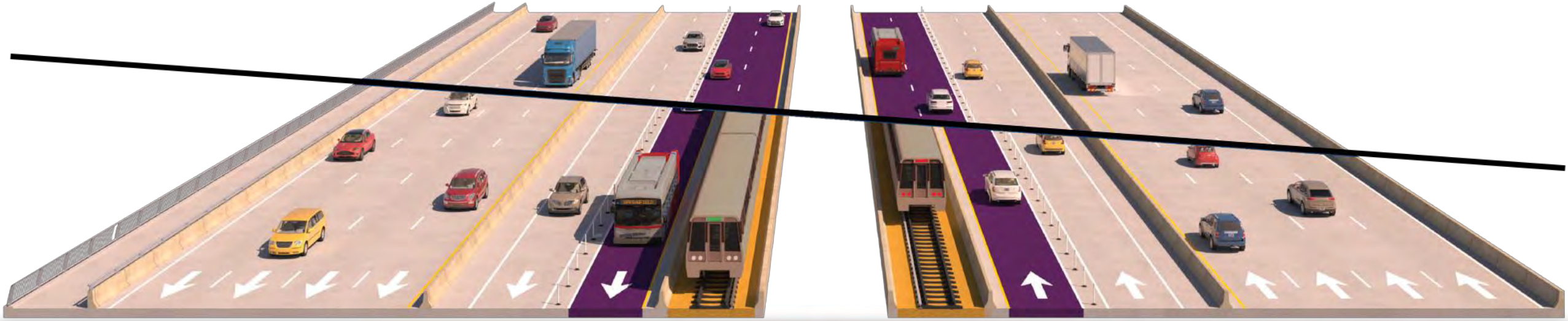
- Virginia will determine the best deal it can deliver with public financing—a 'public option'
- Private sector will have an opportunity to compete with Virginia's 'public option', while still having to meet the standards being required
- If a private sector partner can provide a better deal to taxpayers, then we will move forward with a private operator
- If the private sector cannot deliver a better deal than 'public option', then Virginia will publicly finance the project

Outreach & Engagement

- VDOT has continued to engage with MDOT vetting the concept design and traffic analyses
- Secretary's Office has reinitiated outreach with elected officials and other key stakeholders in Virginia and Maryland
- Engagement is ongoing and feedback will continue to shape final project and associated policies
- Additional public meetings are planned for Fall 2026

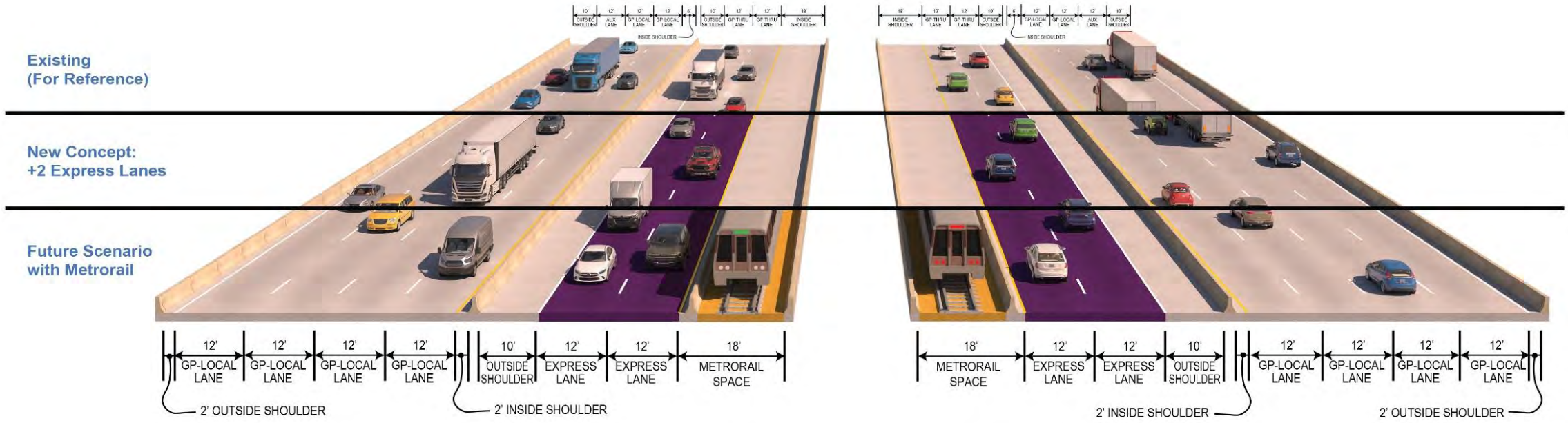
I-495 Southside Express Lanes – Previous Proposal

- Virginia's previous plan involved using the space dedicated for Metro by a 2000-era environmental review
- Lack of trust and communication between VA and MD at the time resulted in the project not being added to the region's long-range transportation plan in the Fall of 2025
- This effectively paused the project as it cannot complete the NEPA review or move to procurement until the project is included in the region's plan



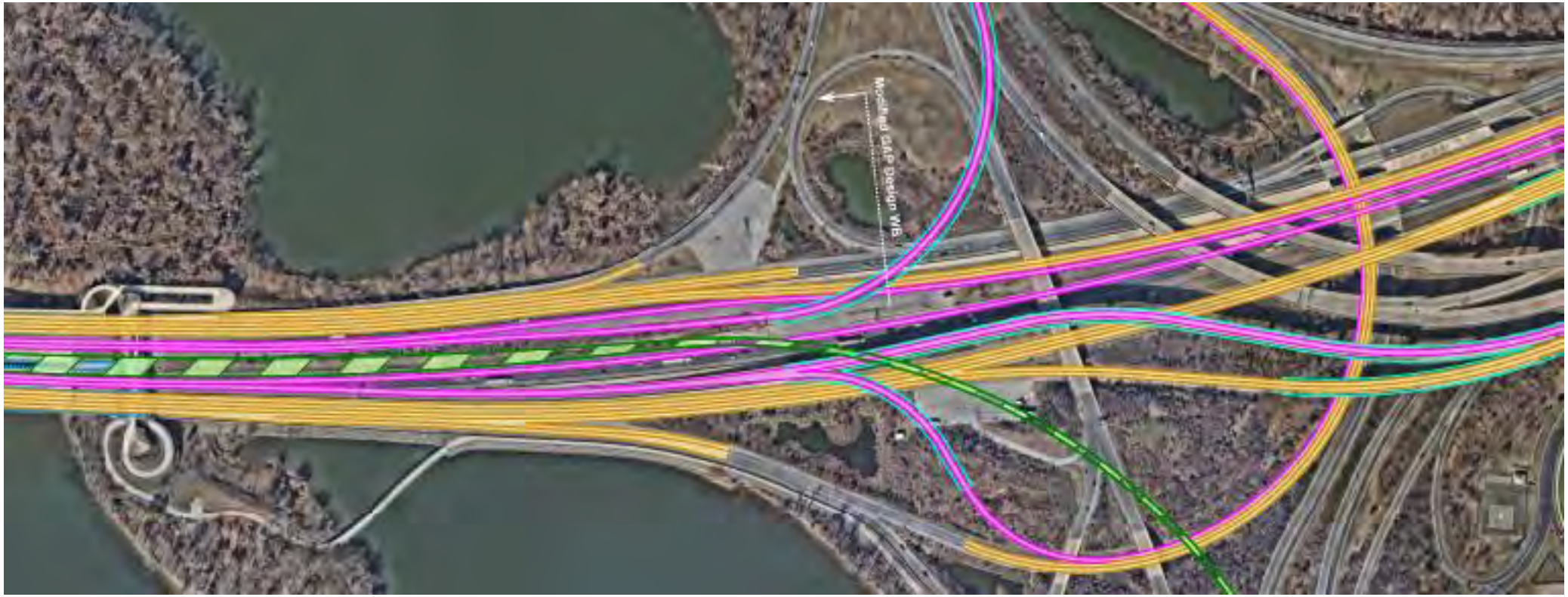
I-495 Southside Express Lanes – New Concept

- Since January 2026, VDOT has worked internally to address the concerns expressed with the previous proposal
  - Key Change: Ensuring Metro space on the bridge is not impacted and future Metro is not precluded by the project—revised concept (below) reserves the 18' inside shoulder to accommodate Metro
- Conversations are underway with counterparts in Maryland to solicit feedback on revised proposal, as well as discussion of consensus building efforts with key local partners



I-495 SEL New Concept – WMATA Accommodation

WMATA Metro alignment (green) from 2002/2020 Studies



New Concept Moves More People, Faster

Travel Direction	Peak Travel Time	GP Lane Travel Times	Vehicle Throughput	Person Throughput
Westbound	AM	- 20%	+ 12%	+ 20%
Eastbound	AM	- 19%	+ 19%	+ 30%
Westbound	PM	- 17%	+ 14%	+ 23%
Eastbound	PM	- 32%	+ 21%	+ 31%

**** Comparisons to 2050 no build conditions – (i) travel times from Braddock Road in Virginia to MD 414 in Maryland (8a-9a and 5p-6p), and (ii) throughput at WWB (6a-9a and 3p-6p)***

New Concept Includes Transit Payment

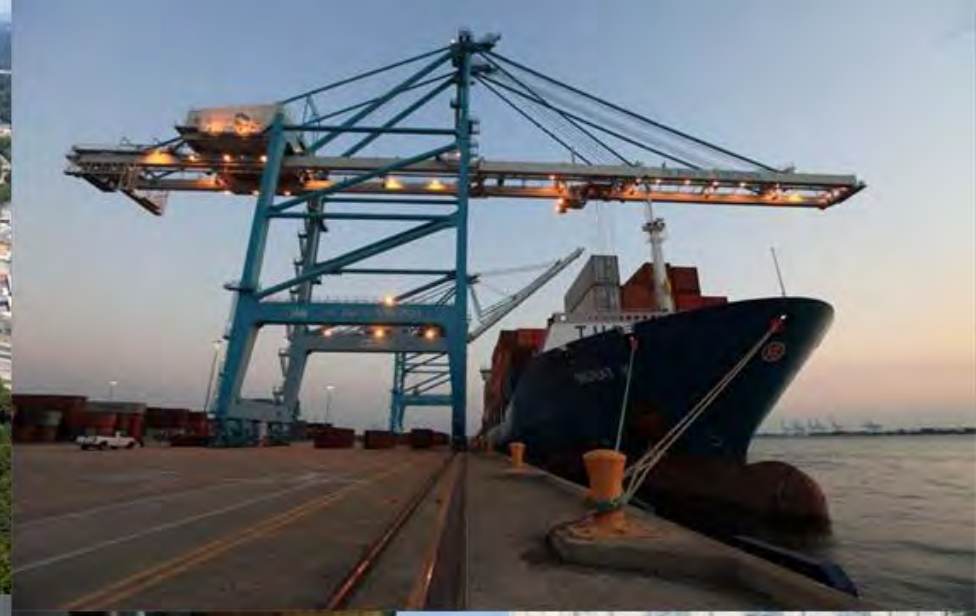
- Based on foreseeable market conditions, Virginia commits an annual transit funding amount of at least $15M growing over time
- Goal is to increase the minimum transit payment figure through the competitive procurement process
- Proceeds will be used to benefit users in the corridor
- Will work with MDOT and local partners to determine how to fairly share revenues between two states and jurisdictions

New Concept Includes Mitigation to Impacts on Local Streets

- VDOT will commit to binding requirements to analyze local streets both in VA and in MD to determine if there are negative impacts from the project
- The project will pay for and construct necessary modifications to mitigate those impacts

Next Steps

- Continue outreach to and solicitation of feedback from elected officials, localities, key stakeholders and the public
- Present New Concept to the Transportation Planning Board in late 2026 targeting early 2027 for inclusion of the project in the Constrained Long-Range Plan
- Other 2027 Goals: Releasing Environmental Document for review; CTB approval of the Preferred Alternative; Procurement initiation



CSX

Passes
BROAD/MAIN

Director's Report

September 2026

DRPT

VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION

Growing Ridership and Relationships

- **Statewide Transit Ridership**
  - Fiscal Year 2026 transit ridership was over 156 million, a five percent increase year-over-year. See slide 13 for more details.
  - June 2026 ridership was 14 million, a nine percent increase over June 2025.
- **Virginia Breeze Ridership**
  - FY 2026 Virginia Breeze ridership was nearly 69,000, a two percent increase year-over-year and is record ridership. See slide 15 for more details.
  - June 2026 Virginia Breeze ridership was over 3,800, an eight percent increase over June 2025.
- **Amtrak Virginia Ridership**
  - FY 2026 Amtrak Virginia ridership was over 1.4 million, around the same as FY 2025. Despite service reductions due to Long Bridge construction windows, ridership has barely decreased. See slide 16 for more details.
- **Industry Engagement**
  - August 11-13: the Community Transportation Association of Virginia held its annual conference in Williamsburg. Session topics included the proposed TRIP changes and new project eligibility, Mobility Management Roundtable, and a CEO/Executive Roundtable on rising costs. Secretary Donohue provided closing remarks for the conference.
  - September 1: Director Zimmerman participated in a panel discussion with Secretary Donohue and Commissioner Brich at the annual Virginia Transportation Construction Alliance Fall Consultant Forum.
  - September 2: Director Zimmerman participated in a Northeast Corridor CEO Roundtable discussion hosted by the Greater Washington Partnership, with a discussion focused on the importance of passenger rail for businesses on the Northeast Corridor and beyond.
  - September 10: Director Zimmerman moderated a session at the Affordable & Connected Communities: Transit, Development and Anti-Displacement in the Mid-Atlantic conference hosted by the University of Maryland

Celebrating our Partners

Milestones from Across the Commonwealth

- **OmniRide Celebrates 40 Years of Operations**
  - In August, OmniRide celebrated 40 years of operations when its operating organization, the Potomac and Rappahannock Transportation Commission, met for the first time. Since then, OmniRide took over local and commuter bus services, and has expanded into neighboring localities.
- **FTA Launches Transit Moves America Dashboard**
  - The FTA launched the dashboard in late July, providing a look at public transportation in communities across the country, highlighting FTA's safety and accessibility data so Americans have a better understanding of their transit systems.
- **Hampton Roads PDC Survey Highlights Transit as a Regional Priority**
  - In August, the Hampton Roads PDC revealed the results of a survey on regional planning priorities. After education and housing, survey responders indicated that transit was the third top priority, ahead of road networks and flood mitigation.
- **FTA Ferry Grant for the Jamestown/Scotland Ferry**
  - In August, the FTA announced $68 million to DRPT for the Jamestown-Scotland Ferry Replacement of VDOT's 'Surry' Ferry. The funds will be utilized by VDOT to replace the current ferry with Electric/Low-Emitting/Passenger Ferry.

Public Engagement
DRPT Marketing and Communications

- **Safety and Design Division Announcement**
  - On September 1, DPRT sent a press release to announce the creation of a new Safety and Design Division and the selection of Alan Saunders PE, CCM, as the Division head. The new division will equip transit agencies and localities to improve progress and performance on federal safety and security compliance requirements and capital project delivery to ensure safe, reliable and affordable mobility for those who rely upon and work in transit and rail.
- **Try Transit Month**
  - September is Try Transit Month. DRPT and transit partners promote and encourage Virginians who do not normally take public transit to give it a try. Switching from driving alone to taking public transportation can save households thousands of dollars per year.
- **Operation Lifesaver**
  - September 21 to 27 is See tracks? Think trains week, a week of rail safety awareness sponsored by Operation Lifesaver. DRPT, alongside VPRA and the State Corporation Commission, partner to promote safety around railroads, especially when walking or driving across railroad crossings.

Updates from the Yard

DRPT Rail Updates

- **Virginia Passenger Rail Authority Board Meeting**
  - On August 27, the VPRA Board met to elect new officers, welcome new members Amanda Pratter and Prescott Sherrod and discuss progress on major capital projects such as Long Bridge.
- **Freight Advisory Committee Update on Statewide Rail Plan**
  - On August 12, DRPT provided a Statewide Rail Plan update to the Virginia Freight Advisory Committee. The Rail Plan will identify priority projects and recommended policy considerations for freight railroads.
- **Virginia-North Carolina Interstate High Speed Rail Compact Commission**
  - On September 8, DRPT, VPRA and the North Carolina Department of Transportation hosted a meeting of the Virginia-North Carolina Interstate High-Speed Rail Compact Commission with participation by Senators Surovell and Sturtevant; and Delegates Glass, Phillips, and Ward; in addition to North Carolina legislators McInnis, Lazzara, Winslow, and Moss.
- **Statewide Rail Plan Public Meeting**
  - Also on September 8, DRPT hosted a 2026 Statewide Rail Plan public meeting. This second public meeting built on feedback collected during the June public meeting, as well as stakeholder meetings conducted over the summer.

Transforming Rail in Virginia

Virginia Passenger Rail Authority Project Updates

- **Long Bridge Project**
  - The project is making progress on multiple fronts. For the new Potomac River rail bridge, crews are constructing the abutments on the Virginia and DC shores.
  - At Maine Ave SW, work continues on a major retaining wall and bridge foundations for future track shifts.
- **New River Valley Passenger Rail Project**
  - Concrete pouring continues for the passenger platform sidewalls and base. To date, 675 linear feet have been poured out of 960 feet total.
  - VPRA anticipates the service extension to the New River Valley to occur in the second half of 2027.
- **USDOT Grant Awards**
  - On August 14, the U.S. Department of Transportation awarded three federal grants for rail improvements in the Commonwealth.
    - VPRA will receive $25M for the Richmond Layover Facility, an overnight storage and maintenance facility, as well as $15.6M for Staunton Station accessibility and state-of-good-repair improvements.
    - Chesterfield County will receive $2.3M for project development of rail grade crossing separations and closing at-grade crossings to enhance safety and reliability.

Limited Amtrak Service Outage in October

Pause for Progress

- From October 16-26, 2026, Amtrak train service south of Washington Union Station will be severely curtailed for First Street Tunnel A-Interlocking trackwork.
- The A-Interlocking is a signal point where trains can switch tracks in the First Street Tunnel, which provides access to Union Station to/from Virginia. This is a critical repair work and will improve service reliability.
- Reduced Amtrak service operating in Virginia will terminate northbound service at Alexandria with Bus Bridges to Washington Union Station. Busses will also connect from Washington to southbound trains from Alexandria.
  - Virginia passenger rail service will operate limited train service for stations between Roanoke – Alexandria; Norfolk – Alexandria. The Carolinian train will serve stations between Raleigh – Alexandria. Long Distance Trains will not operate in Virginia during this time (this includes the Palmetto, Silver Meteor, Floridian, Crescent, Cardinal services). The Auto Train will continue to operate between Lorton, Virginia and Sandford, Florida.
- VRE trains will service all stations except for Union Station, running up to L'Enfant in the morning and originating from L'Enfant in the evenings.
- VPRA and DRPT are coordinating on intercity bus services as alternative options, including existing Virginia Breeze Routes.
  - Amtrak will operate express buses to Washington Union Station directly from the following stations: Roanoke – DC, Charlottesville – DC, Norfolk/Newport News/Williamsburg – DC, Richmond Main Street – DC; Richmond Staples Mill to DC.

Ongoing Transit Studies

Monthly Study Update

- **Statewide Transit Oriented Development Study**
  - DRPT has been engaging with stakeholders and subject-matter experts throughout August.
- **Equivalent Compensation Labor Study**
  - The second work group met on August 24, with a third meeting scheduled for September 28. A letter from work group legislation patrons Delegate Helmer and Senator Salim was distributed to the work group members.
- **WMATA Efficiency Reporting**
  - DRPT is finalizing the report ahead of an October 15 due date.
- **HJ28 Hampton Roads Transit Regional Needs Study**
  - First meeting of the joint commission is anticipated for September.
- **Northern Virginia Bus Transit Consolidation Study**
  - Based on meetings with localities, staff are developing technical memos on existing conditions, potential, scenarios, and analyzing the impact of a potential consolidation.
- **Virginia Breeze Study***
  - Project is in early stages, evaluating existing conditions, gathering passenger and performance data, and modeling financials.
- **Transit Transformation***
  - DRPT is selecting a consultant team to assist the plan's development.

Interested in the TOD Study? Fill out the General Survey here until Sep. 25!

***DRPT Initiated; Others required by General Assembly**

Ongoing Transit Studies

Monthly Study Update

- **Statewide Transit Oriented Development Study**
  - DRPT has been engaging with stakeholders and subject-matter experts throughout August.
- **Equivalent Compensation Labor Study**
  - The second work group met on August 24, with a third meeting scheduled for September 28. A letter from work group legislation patron Senator Salim was distributed to the work group members.
- **WMATA Efficiency Reporting**
  - DRPT is finalizing the report ahead of an October 15 due date.
- **HJ28 Hampton Roads Transit Regional Needs Study**
  - First meeting of the joint commission is anticipated for September.
- **Northern Virginia Bus Transit Consolidation Study**
  - Based on meetings with localities, staff are developing technical memos on existing conditions, potential, scenarios, and analyzing the impact of a potential consolidation.
- **Virginia Breeze Study***
  - Project is in early stages, evaluating existing conditions, gathering passenger and performance data, and modeling financials.
- **Transit Transformation***
  - DRPT is selecting a consultant team to assist the plan's development.

Interested in the TOD Study? Fill out the General Survey here until Sep. 25!

***DRPT Initiated; Others required by General Assembly**

CTB Action: Allocation of $19 million in Capital Funding provided by General Assembly for FY 2027

- The FY 2027 Budget included $19 million from the General Fund to support transit capital projects. These funds must be spent by the end of the fiscal year.
  - Transit capital projects have a longer lead time for spending - DRPT is putting these additional dollars towards grants that were identified in FY 2027 SYIP which will allow more capital funding to be allocated for FY 2028.

- The $19 million in FY 2027 funds will support the purchase of 43 vehicles, including Light-Duty Transit Vehicles and 35’/40’ Heavy Duty Transit Buses
  - All State and Federal match commitments remain unchanged.
  - If there is a balance of General Funds at the end of the year, DRPT will apply it to other expenses at one of the agencies included on the list.

- CTB will vote on this allocation in its October 2026 meeting.

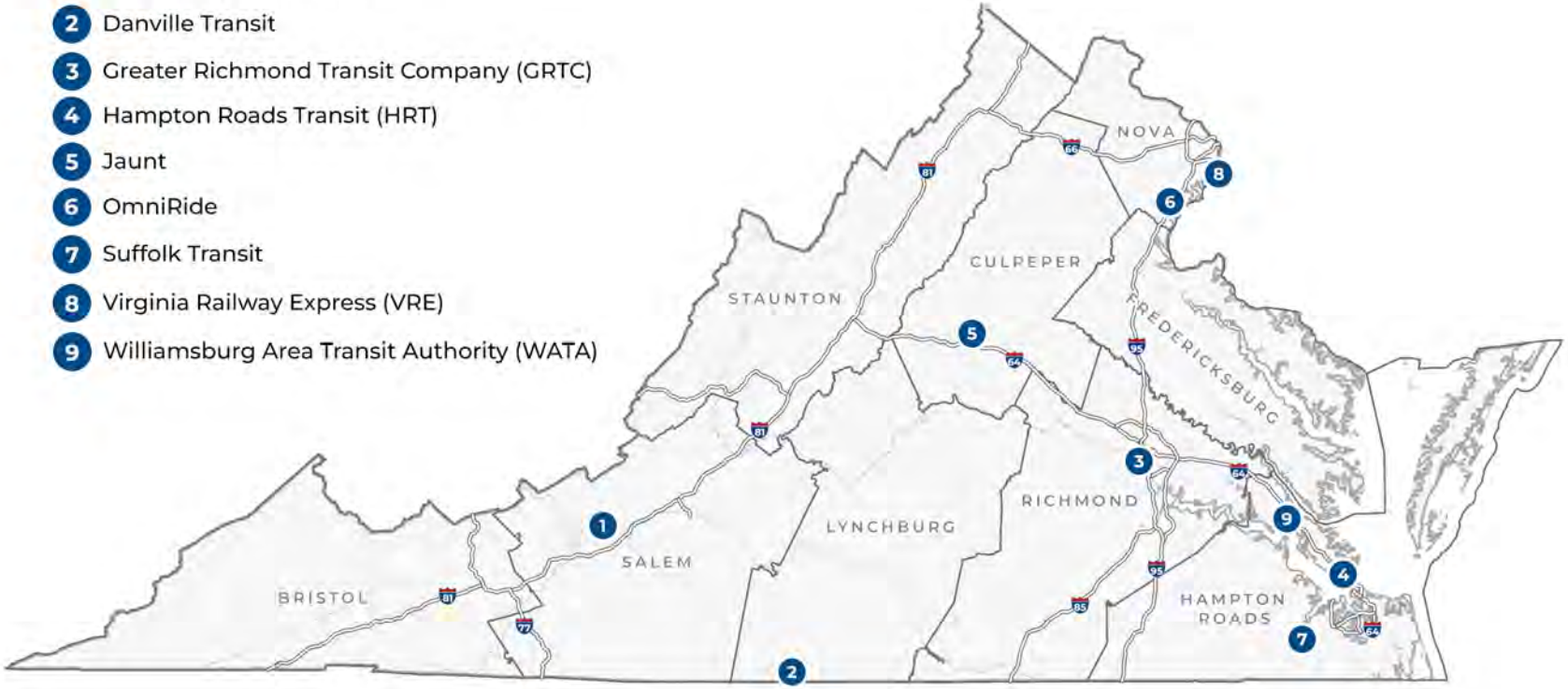
Projects Receiving Transit Capital General Funds

Project	General Fund replacing FY27 CTF Program Funds	State Match	State Cost Estimate
Virginia Railway Express (VRE): Broad Run Yard Property Acquisition*	N/A	NA	$6,600,000
Williamsburg Area Transit Authority: Old Mooretown Rd. Transfer Facility	TRIP Passenger Amenities & Facilities	65%	$4,258,705
Blacksburg Transit: 5 Replacement Light-Duty Transit Vehicles	MERIT Capital	68%	$713,128
Suffolk Transit: 2 Replacement Light-Duty Transit Vehicles	MERIT Capital	16%	$85,917
Danville Transit System (DTS): 1 Replacement Medium-Duty Transit Vehicle	MERIT Capital	68%	$198,847
GRTC (Richmond): 13 Replacement Light-Duty Transit Vehicles	MERIT Capital	68%	$1,723,800
Jaunt: 8 Replacement Light-Duty Transit Vehicles	MERIT Capital	68%	$1,008,317
PRTC (OmniRide): Replacement of 7 Heavy Duty Transit Buses	MERIT Capital	16%	$915,776
HRT: Replacement of 7 Heavy Duty Transit Buses	MERIT Capital	68%	$3,487,188

* DRPT will amend an existing VRE grant for this capital project.

Proposed Projects

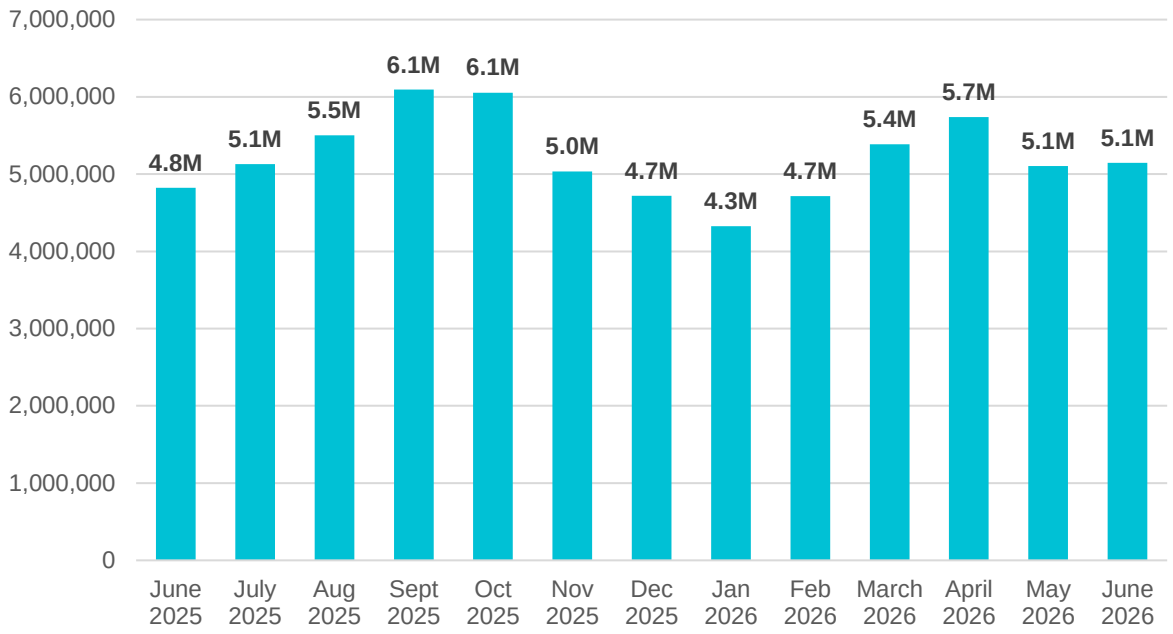
1. Blacksburg Transit (BT)
2. Danville Transit
3. Greater Richmond Transit Company (GRTC)
4. Hampton Roads Transit (HRT)
5. Jaunt
6. OmniRide
7. Suffolk Transit
8. Virginia Railway Express (VRE)
9. Williamsburg Area Transit Authority (WATA)



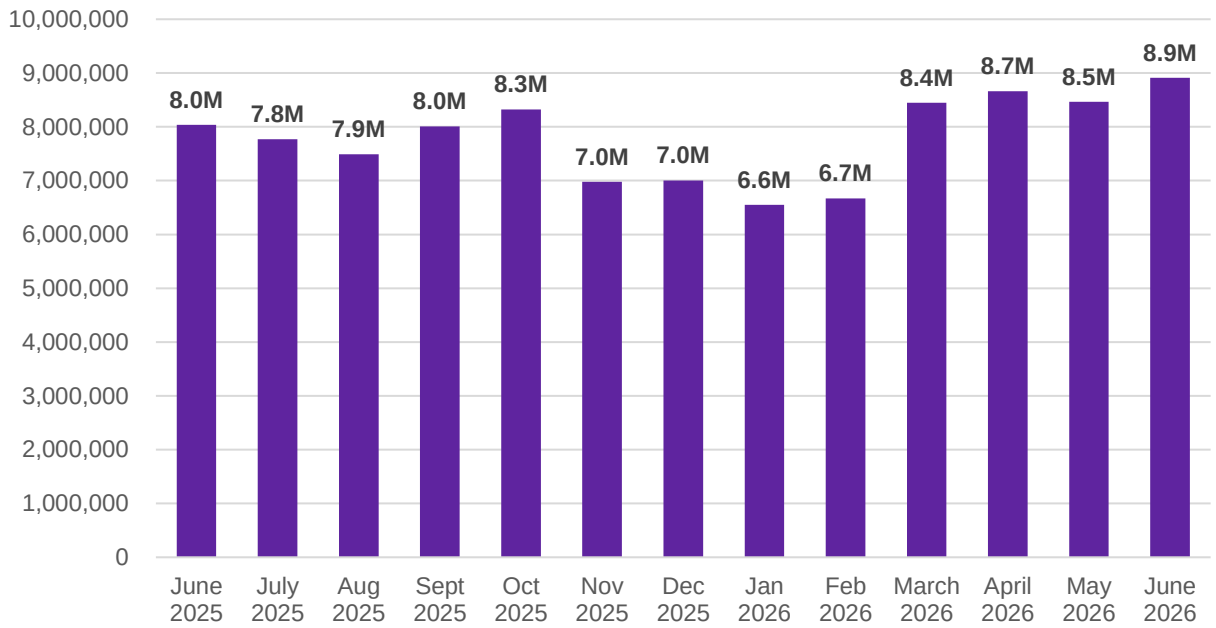
Appendix

Statewide Transit Ridership – Past 13 months

Statewide Transit Ridership – June 2025 to June 2026



Virginia Agencies (incl. VRE)

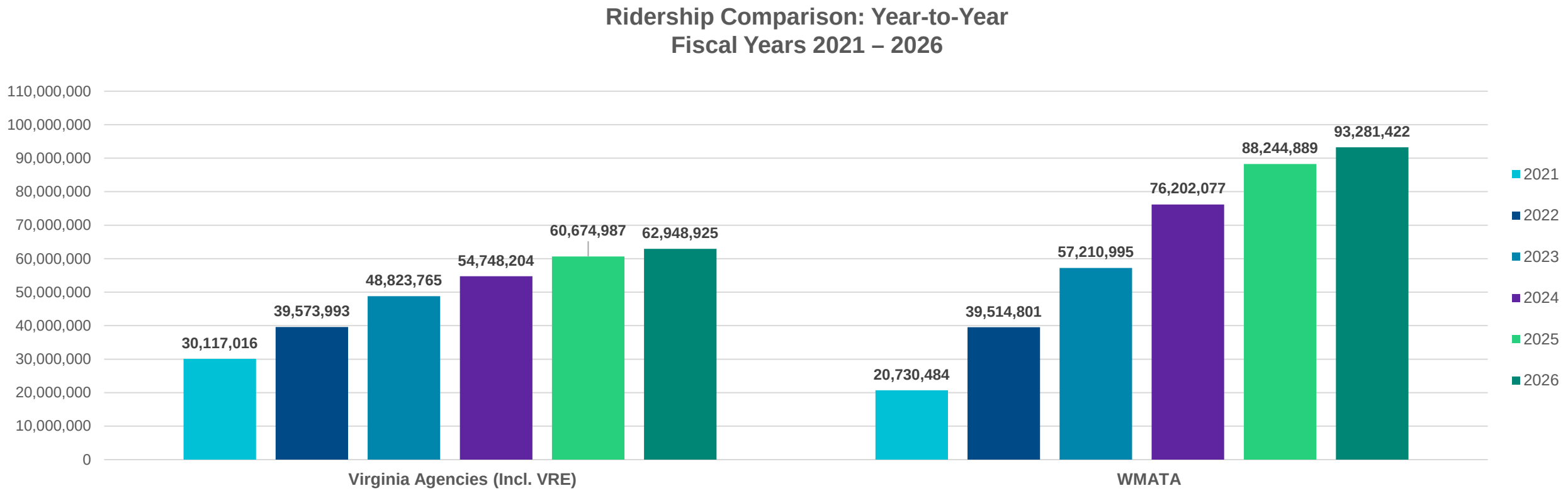


WMATA

Agencies	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	March 2026	April 2026	May 2026	June 2026	Total*
Virginia Agencies	4,823,693	5,130,617	5,501,192	6,092,184	6,054,733	5,035,161	4,718,126	4,327,420	4,713,290	5,387,549	5,739,431	5,104,481	5,144,741	62,948,925
WMATA	8,038,628	7,772,694	7,491,352	8,005,759	8,320,907	6,977,427	7,005,271	6,551,481	6,668,660	8,449,361	8,661,623	8,463,248	8,913,639	93,281,422
Total	**12,862,321**	**12,903,311**	**12,992,544**	**14,097,943**	**14,375,640**	**12,012,588**	**11,723,397**	**10,878,901**	**11,381,950**	**13,836,910**	**14,401,054**	**13,567,729**	**14,058,380**	**156,230,347**

**Last 12 Months*

Statewide Ridership Comparison: Year-to-Year



Mode	2021	2022	2023	2024	2025	2026	2026 vs 2021	2026 vs 2022	2026 vs 2023	2026 vs 2024	2026 vs 2025
Virginia Agencies	30,117,016	39,573,993	48,823,765	54,748,204	60,674,987	62,948,925	109%	59%	29%	15%	4%
WMATA	20,730,484	39,514,801	57,210,995	76,202,077	88,244,889	93,281,422	350%	136%	63%	22%	6%
Total	**50,847,500**	**79,088,794**	**106,034,760**	**130,950,281**	**148,919,876**	**156,230,347**	**207%**	**98%**	**47%**	**19%**	**5%**

Virginia Breeze Ridership – June

In June 2026, ridership on VA Breeze routes totaled 3,829 which was:

- 88% higher than original estimates, and
- 8% higher than June 2025

In June 2026, the VA Breeze contributed to a reduction of 77 metric tons of CO_2 equivalent emissions.

Valley Flyer:

- Ridership – 2% lower than June 2025
- Farebox Rev. – 5% lower than June 2025

Piedmont Express:

- Ridership – 10% lower than June 2025
- Farebox Rev. – 12% lower than June 2025

Capital Connector:

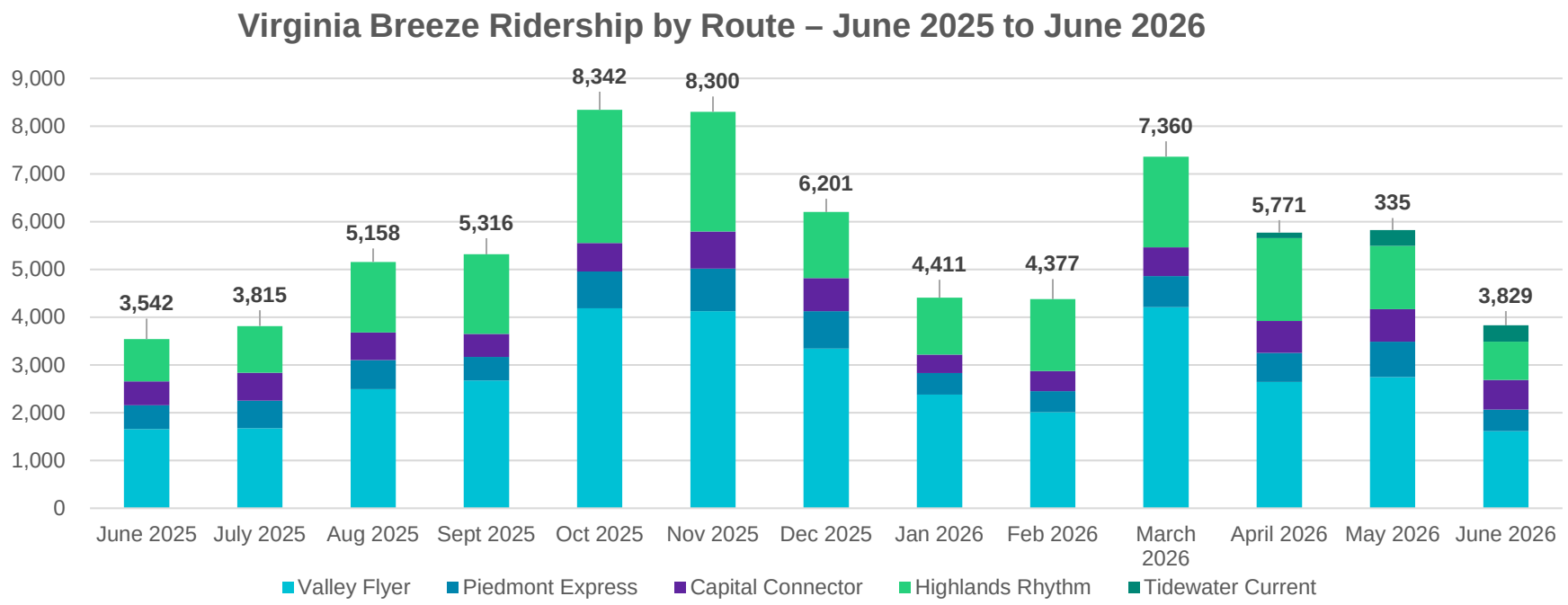
- Ridership – 23% higher than June 2025
- Farebox Rev. – 17% higher than June 2025

Highlands Rhythm:

- Ridership – 9% lower than June 2025
- Farebox Rev – 13% lower than June 2025

Tidewater Current:

- Ridership – N/A
- Farebox Rev – N/A



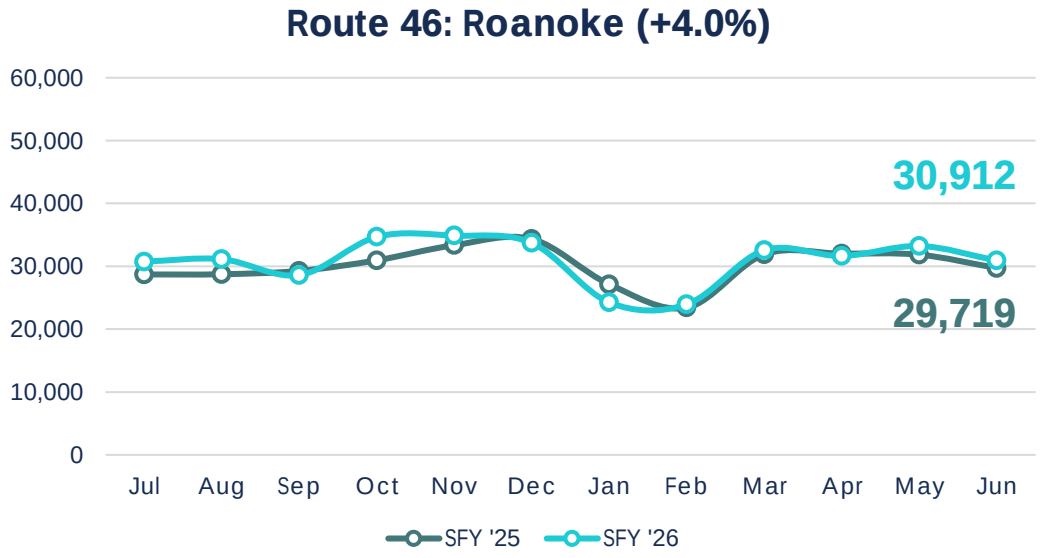
Route	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	March 2026	April 2026	May 2026	June 2026	Total*
Valley Flyer	1,655	1,675	2,493	2,676	4,189	4,124	3,344	2,377	2,012	4,211	2,645	2,746	1,617	34,109
Piedmont Express	499	577	606	490	767	895	781	451	440	650	609	744	449	7,459
Capital Connector	504	585	581	484	598	778	694	389	424	602	670	676	618	7,099
Highlands Rhythm	884	978	1,478	1,666	2,788	2,503	1,382	1,194	1,501	1,897	1,734	1,325	806	19,252
Tidewater Current											113	335	339	787
All Routes	**3,542**	**3,815**	**5,158**	**5,316**	**8,342**	**8,300**	**6,201**	**4,411**	**4,377**	**7,360**	**5,771**	**5,826**	**3,829**	**68,706**

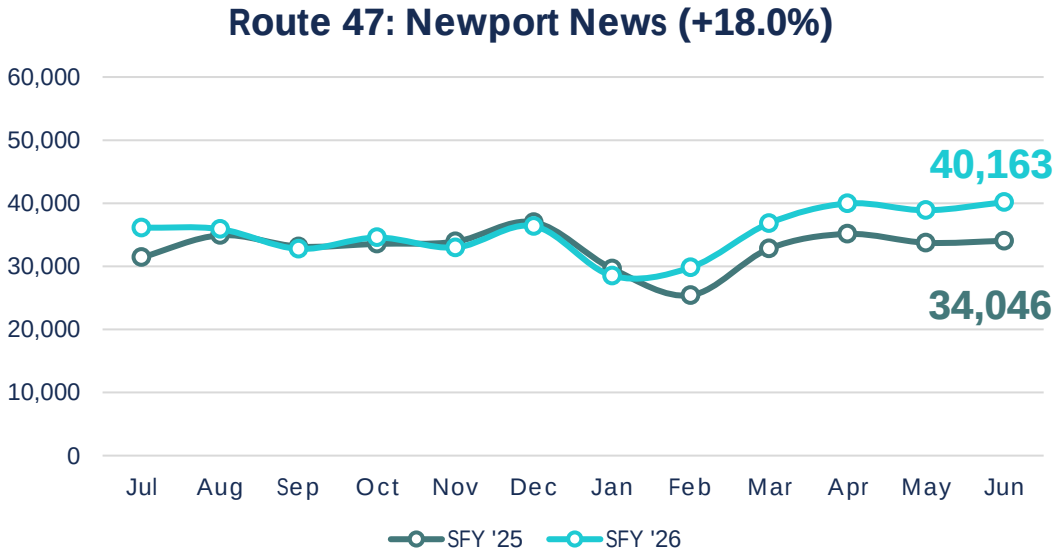
**Last 12 Months*

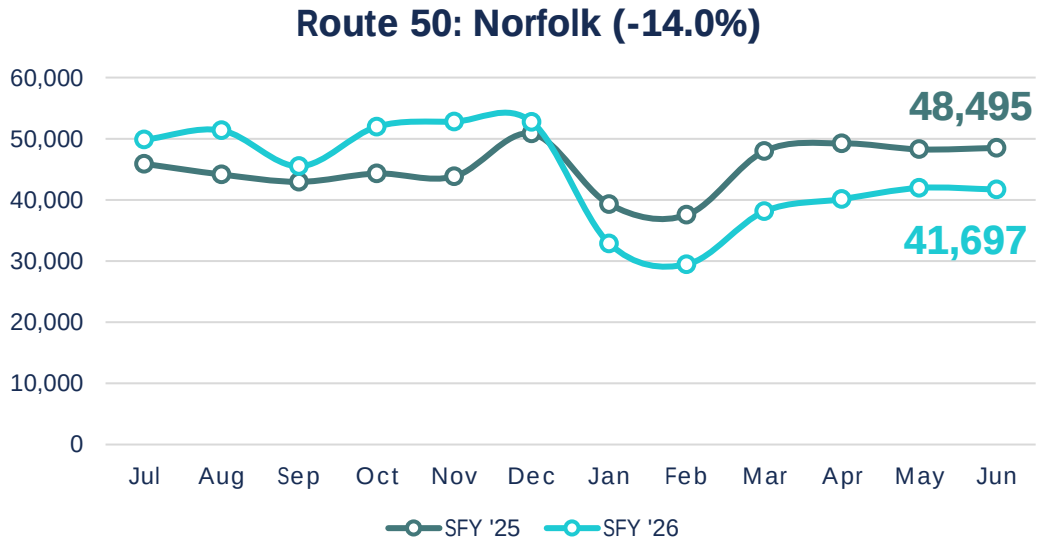
Virginia-Supported Monthly Amtrak Ridership SFY ’26 vs. SFY ‘25

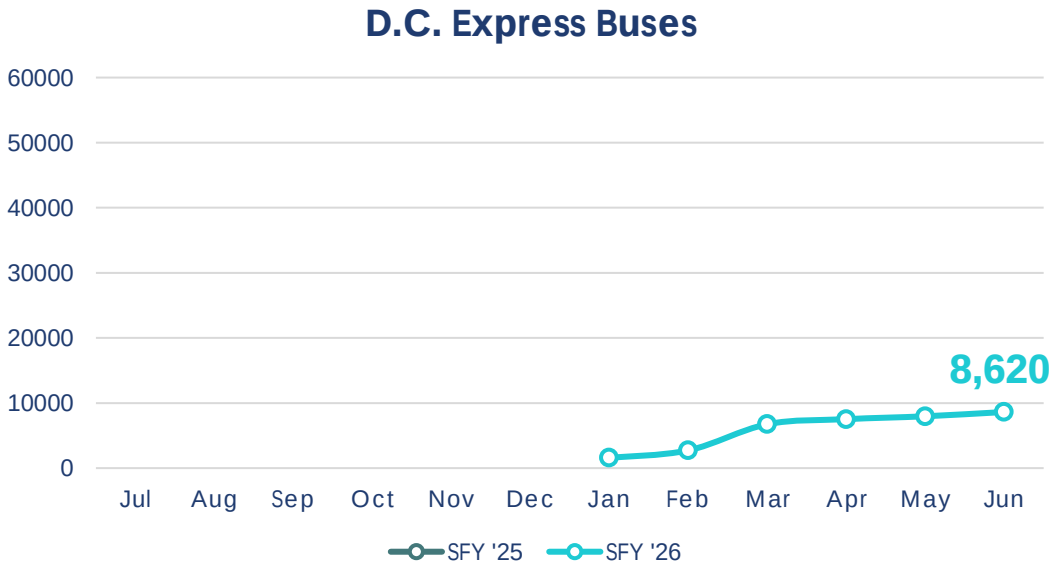
Express buses chart displays both Hampton Roads and Richmond area ridership.

Express bus ridership breakout on Slide 11.



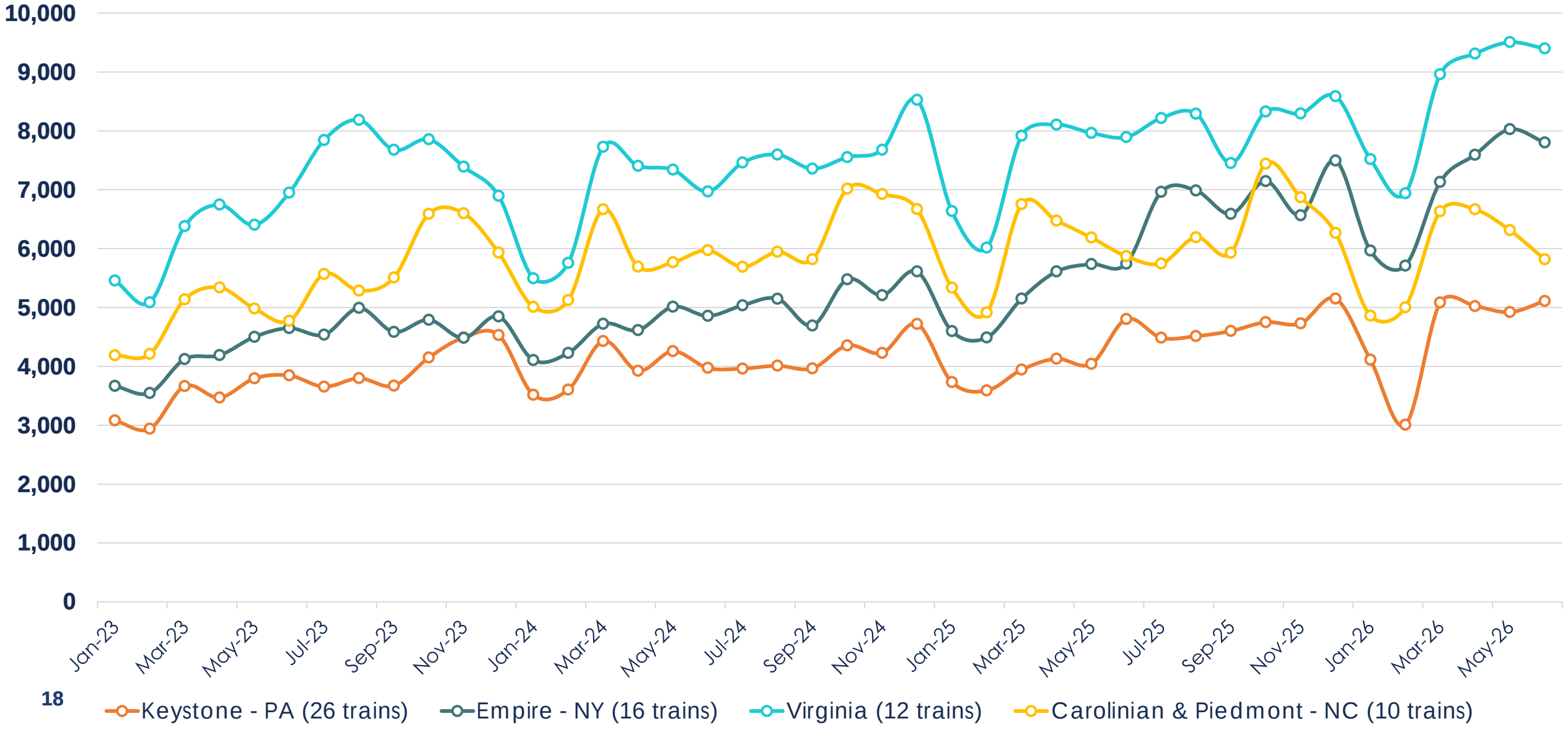






Virginia & Comparable State-Supported Amtrak Service Ridership

Normalized: Monthly Ridership ÷ Daily Trains



FY27 SYIP Transfers

DRPT Director Approved - Under 200,000

Recipient Project Number & Description	Recipient Original Allocation	Recipient New Allocation	Transfer Amount
State Transit Operator and Maintenance Roadeo-Hampton Roads Transit	Federal = $0.00 State = $50,824	Federal = $0.00 State = $101,648	Federal = $0.00 State = $50,824
ADP Software - Operations (Radio Communication System) -FXBGO!	Federal = $14,000 State = $34,000	Federal = $14,650 State = $35,580	Federal = $650 State = $1,580
Spare Parts / Capital Maintenance Items (Miscellaneous Parts)-Bay Aging, Inc	Federal = $33,931 State = $82,405.12	Federal = $37,984.35 State = $92,247.71	Federal = $4,035.35 State = $9,842.59
County of Fairfax-FY25 Transit Bus Roadeo	Federal = $0.00 State = $55,082.50	Federal = $0.00 State = $77,805.57	Federal = $0.00 State = $22,723.07
TOTAL Transfers			**FEDERAL = $4,685.35** **STATE = $84,969.66**

**Transfers are all below the $200,000 threshold and do not require CTB approval. DRPT is providing the CTB with a list of all transfers approved during July and August of SFY 2027.*

FY26 Q4 Rail and Public Transportation Report- Expenditures

Schedule of Budget vs. Actual
As of June 30, 2026
($ in Millions)

	Adopted FY 2026	Actual 6/30/2026	Remaining Balance	Percentage Remaining	Notes
Public Transportation Programs					
Operating Assistance	$ 164.3	$ 161.8	$ 2.5	1.5%	A
Capital Assistance	213.2	139.0	74.2	34.8%	B
Special Programs	9.4	8.3	1.1	11.7%	
Ridership Incentive Programs	77.2	23.5	53.7	69.6%	
VRE Assistance	17.4	17.4	-	0.0%	
WMATA Assistance	364.6	364.0	0.6	0.2%	C
Total	**846.1**	**714.0**	**132.1**	**15.6%**	
Commuter Assistance Programs	**7.3**	**17.1**	**(9.8)**	**-134.2%**	D
Human Service Transportation Pgm	**6.7**	**9.8**	**(3.1)**	**-46.3%**	
Planning, Regulation, & Safety Pgm	**6.7**	**5.1**	**1.6**	**23.9%**	
WMATA Dedicated	**154.5**	**154.5**	**-**	**0.0%**	E
Total Transit Programs	**1,021.3**	**900.5**	**120.8**	**11.8%**	
Rail Assistance Programs					
Rail Preservation Programs	7.7	4.6	3.1	40.3%	
Rail Industrial Access	2.7	1.4	1.3	48.1%	
Freight Rail and Rail Planning Programs	23.2	10.5	12.7	54.7%	
Total Rail Programs	**33.6**	**16.5**	**17.1**	**50.9%**	
Administrative Expenses	**19.9**	**18.9**	**1.0**	**5.0%**	
Agency Total before VPRA	**$ 1,074.8**	**$ 935.9**	**$ 138.9**	**12.9%**	
VPRA Recurring Payments	**192.3**	**178.6**	**13.7**	**7.1%**	F
Agency Total	**$ 1,267.1**	**$ 1,114.5**	**$ 152.6**	**12.0%**	

FY26 Q4 Rail and Public Transportation Report- Resources & Commitments

Schedule of Resources and Commitments
As of June 30, 2026
($ in Millions)

	6/30/2026			6/30/2025
	Rail	Transit	Total	Total
Resources				
Cash	$ 57.6	$ 585.9	$ 643.5	$ 687.6
Estimated Revenues - FY 2027	22.8	941.7	964.5	922.7
Accounts Receivable	-	4.0	4.0	3.1
Bonds Receivable	0.2	-	0.2	0.6
Anticipated Bond Proceeds	9.3	17.0	26.3	29.9
Anticipated Reimbursement - VDOT	-	178.5	178.5	189.9
Anticipated Reimbursement - VPRA	8.6	-	8.6	8.6
Anticipated Reimbursement - DEQ	-	6.5	6.5	6.5
Anticipated Reimbursement - Federal	38.9	80.8	119.7	119.5
Total Resources (A)	137.4	1,814.4	1,951.8	1,968.4
Commitments				
Transit & TDM Commitments	-	1,674.4	1,674.4	1,671.8
Rail Commitments	122.2	-	122.2	116.9
VPRA Commitments	7.7	-	7.7	13.0
Due to VDOT / VPRA	-	2.2	2.2	13.3
Total Commitments (B)	129.9	1,676.6	1,806.5	1,815.0
Funds Available	$ 7.5	$ 137.8	$ 145.3	$ 153.4