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NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

PROJECT IMPLEMENTATION WORKING GROUP

M E M O R A N D U M

FOR: Members, Northern Virginia Transportation Authority

FROM: Chairman Martin E. Nohe

DATE: November 9, 2015

SUBJECT: NVTA FY2017 Program Project Selection Criteria

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1. **Purpose.** To seek Northern Virginia Transportation Authority approval for the Project Selection Criteria for the FY2017 Program.

2. **Suggested Motion:** *I move approval for the Project Selection Criteria for the FY2017 Program.*

3. **Background.** The preliminary estimate for available revenues for the FY2017 Program is $220 million in PayGo funds, with the option for additional finance. Informal indications from jurisdictions and agencies suggest that approximately 25 candidate projects may be submitted for consideration, with an associated funding request of $750 million.

   The FY2017 Program is the first in which all candidate projects will be evaluated under the HB 599 process.

4. **Status.** The Project Implementation Working Group (PIWG) met on November 6, 2015 to finalize a recommendation for the Project Selection Criteria for the FY2017 Program. Specifically, the PIWG received inputs from the Jurisdiction and Agency Coordinating Committee and the Technical Advisory Committee following their meetings on October 8th and 21st respectively.

   NVTA's project selection process for the FY2017 Program will be broadly consistent with that used for the FY2015-2016 Two Year Program, with enhancements to reflect the Authorities priorities and to strengthen decision-making.

   Proposed modifications to the project selection process fall into three categories:
   a. Eligibility
   b. Criteria weighting
   c. Evaluation process

5. **Eligibility.** Two changes are proposed by the PIWG. First, studies will be ineligible for funding in the FY2017 Program. It is considered that studies do not represent the most appropriate use of FY2017 regional revenues given the high volume of projects seeking engineering, design, and construction funds.

   Second, projects approved for inclusion in the FY2017 Program must commit to submitting a first drawdown request to NVTA by no later than June 30, 2019. Projects unable to make this commitment will be not be selected, and projects unable to fulfil this commitment will be at risk of funding de-obligation. PIWG has approved a related policy for Authority consideration under a separate agenda item.

   It is noted that the policy adopted for the FY2015-16 Two Year Program regarding execution of Standard Project Agreements (SPA) by six months after Authority adoption remains in place for the FY2017 Program. Assuming adoption of the FY2017 Program in July 2016, all approved projects must have an executed SPA by January 2017.

6. **Criteria Weighting.** Modest changes are proposed to project selection criteria, criteria definitions, and criteria weightings compared to those used for the FY2015-16 Two Year Program. Project selection criteria and associated weightings are used to calculate an NVTA Quantitative Score for each project, on a scale from 0 to 100. Projects with the highest Quantitative Scores will be more supportive of the Authority's overall priorities than projects with lower scores.

   The most significant change is to increase the weighting associated with the congestion reduction criterion from 35 percent to 45 percent. (This criterion will use the HB 599 ratings for each project, and the higher weighting is consistent with the congestion reduction weighting used in the Commonwealth's HB 2 process.) This weighting increase is offset by a corresponding reduction in the weighting for project readiness, which also includes a consolidation of the two project readiness criteria used for the FY2015-16 Two Year Program into a single redefined project readiness criterion.

   PIWG also recommends eliminating the selection criterion for project urgency, and transferring the 5 percent weighting for this criterion to the bicycle/pedestrian criterion. Project urgency is effectively addressed through the congestion reduction criterion. Overall, nine project selection criteria will be used for calculating the NVTA Quantitative Score for the FY2017 Program, compared to eleven for the FY2015-16 Two Year Program.

7. **Evaluation Process.** The evaluation process for the FY2017 Program will be enhanced by the use of a simple measure of congestion reduction relative to cost for each project. This measure will be estimated using output from the HB 599 evaluation process. Specifically, the predicted reduction in travel time delays for each project will be summed annually from the year each project opens through 2040. (2040 is the horizon year for the region's travel demand model.) This summation of travel time savings will be divided by a corresponding cost for each project, producing a ratio of the congestion reduction per unit cost for each

project. Projects with the highest ratio of congestion reduction per unit cost will likely represent the highest priority for NVTA funding.

This congestion reduction relative to cost measure for each project is complementary to the NVTA Quantitative Score for each project. The former provides an indication of the relative value for money of each project, and the latter provides an indication of the extent to which each project addresses the Authority's priorities.

8. **Schedule.** The FY2017 Program Call for Projects was issued on September 28, 2015, with a deadline for responses by 5pm on November 30, 2015. The PIWG will review the list of candidate projects at its next meeting on December 2, 2015, and will present its recommendations to the Authority at its meeting on December 10, 2015. Subject to Authority approval, the recommended list of projects will be formally submitted to VDOT for HB 599 evaluation.

   Subsequent milestones include:
   a. Mid-December 2015: HB 599 evaluations will commence (VDOT.) NVTA evaluations will commence in parallel;
   b. April 2016: HB 599 and NVTA evaluations completed;
   c. May 2016: Authority approval to post candidate project list for public comment;
   d. June 2016: Public Hearing and associated Town Hall meetings;
   e. July 2016: Authority adopts FY2017 Program.

9. **Next Steps.** NVTA staff will undertake an expedited review of responses to the Call for Projects between the deadline of November 30, 2015 and the next PIWG meeting on December 2, 2015.

   PIWG members and NVTA staff will be available at the November 12, 2015, NVTA meeting to answer questions.

Attachment: Proposed FY2017 Program Project Selection Criteria

Coordination: Members, NVTA Project Implementation Working Group

NORTHERN VIRGINIA TRANSPORTATION AUTHORITY

Project Implementation Working Group

Approved Project Selection Criteria for the FY2017 Program

I. Background

In September 2015, NVTA issued a call for projects for the FY2017 Program. The FY2017 Program will contain the regional projects that will be funded using FY2017 Regional Revenues.

II. Need for Project Selection Criteria

NVTA staff estimates that approximately $220,000,000 will be available from FY2017 regional revenues, assuming PayGo funding only. Additional finance options may increase this amount. Based on informal, non-binding feedback from member jurisdictions and agencies, NVTA staff estimates that funding requests associated with the FY2017 Program will amount to approximately $750,000,000.

III. Overall approach to project selection

Similar to the methodology used for selecting regional projects that were funded through the FY2015-16 Two Year Program, the overall approach for project selection will use four types of screening:

- Preliminary Screening: this is a pass/fail filter. Each project must pass all applicable criteria to be considered for funding;
- Quantitative Score: a composite score is calculated for each project, using weighted selection criteria;
- Congestion reduction relative to cost ratio: uses a combination of travel time savings and project cost;
- Qualitative Considerations: projects are assessed using qualitative factors and considerations that do not lend themselves to be scored quantitatively.

The project selection criteria for each of the four types of screening are listed below.

Preliminary Screening: Pass/Fail Assessment

Screening Criteria
All projects
Contained in NVTA's regional transportation plan (TransAction 2040), or included in the Transportation Planning Board's 2010 Constrained Long Range Plan
Reduces congestion
Within locality embraced by the Authority or in adjacent localities but only to the extent that such extension is an insubstantial part of the project and is essential to the viability of the project within the localities embraced by the Authority.
Rated in the HB599 Project Evaluation and Rating Study.
Initial reimbursement request will be submitted by June 30, 2019
Studies ineligible
Mass Transit projects only
Mass Transit project that increases capacity.

Detailed Screening: Quantitative Scores

TransAction 2040 Goal: Provide responsive transportation service to customers			
Topic	**Selection Criteria**	**Rating Scale (unless indicated otherwise, High = 1, Medium = 2/3, Low = 1/3)**	**Weighting (70 points)**
Reduce Roadway Congestion	Project reduces roadway congestion	HB599 detailed rating will be on a continuous scale of 0 (least congestion relief) to 100 (greatest congestion relief) **Rating:** HB599 detailed rating ÷ 100	**45**
Project Readiness	Project will be advanced as a result of FY2017 Program funding	**High:** Project will be fully open/operational (includes acquisition of buses) **Medium:** Project will advance to the ROW or partial construction phase **Low:** Project will advance to the preliminary engineering or design phase	**15**
Reduce VMT	Project reduces vehicle-miles traveled	**High:** Project directly reduces VMT (i.e., transit project, park-and-ride lot, new HOV lane(s), new pedestrian and bicycle trail). **Medium:** Project indirectly or through expansion reduces VMT (i.e., expansion of HOV, transit improvement, or expansion). **Low:** Project does not reduce VMT.	**5**
Safety	Project improves the safety of the transportation system	**High:** Project designed to specifically improve system safety and/or address an existing safety deficiency. **Medium:** Project will generally result in a safety improvement. **Low:** Project will have no discernible positive effect on safety.	**5**

TransAction 2040 Goal: Maximize community connectivity by addressing transportation and land use together			
Topic	**Selection Criteria**	**Rating Scale (High = 1, Medium = 2/3, Low = 1/3)**	**Weighting (10 points)**
Activity Center Connections	Project improves connections between multiple Activity Centers	**High:** Project improves connectivity between three or more activity centers. **Medium:** Project improves connectivity between two activity centers. **Low:** Project improves connectivity to one activity center only.	**5**
Regional Connectivity and modal integration	Project connects jurisdictions and modes	**High:** Project connects jurisdictions and modes. **Medium:** Project connects jurisdictions. **Low:** Project does not connect jurisdictions or modes.	**5**

TransAction 2040 Goal: Provide an integrated, multimodal transportation system			
Topic	**Selection Criteria**	**Rating Scale (High = 1, Medium = 2/3, Low = 1/3)**	**Weighting (10 points)**
Improved Bicycle and Pedestrian Travel Options	Project supports multiple use development patterns in a walkable/bikeable environment	**High:** Project adds or extends non-motorized facility to and within activity center. **Medium:** Project improves existing non-motorized facility to and within activity center. **Low:** Project does not improve or provide a non-motorized facility to and within activity center.	**10**

TransAction 2040 Goal: Incorporate the benefits of technology			
Topic	**Selection Criteria**	**Rating Scale (High = 1, Medium = 2/3, Low = 1/3)**	**Weighting (5 points)**
Management and Operations	Project improves the management and operation of existing facilities through technology applications	**High:** Project improves technological management and operations of an existing transportation facility. **Medium:** Project improves technological management and operations of an expansion of an existing transportation facility. **Low:** No improvement to management and operations of a facility.	**5**

TransAction 2040 Goal: Identify funding and legislative initiatives needed to implement the Plan			
Topic	**Selection Criteria**	**Rating Scale (High = 1, Medium = 2/3, Low = 1/3)**	**Weighting (5 points)**
Cost Sharing	Project leverages private or other outside funding	**High:** Project leverages private or other outside funding. **Medium:** Project leverages modest private or other outside funding. **Low:** Project has no leveraged private or other outside funding.	**5**

Detailed Screening: Congestion Reduction Relative to Cost

Screening Criteria
Priority given to greatest congestion reduction relative to cost: the Authority is required to give priority to such projects. Congestion reduction relative to cost is calculated by dividing: • Total travel time saved as a result of the project (from opening year thru 2040) by • Project Cost

Detailed Screening: Qualitative Considerations

Screening Criteria
Continuity of project funding: In general, NVTA funding approval for most project phase(s) infers a commitment to fund the remainder of that phase (or phases), provided that the likely total commitment is reasonably known at the time of original funding approval. Funding decisions will continue to be based on the prevailing project selection criteria, subject to funding availability at the time of request. However, funding continuity decisions will be considered on a case-by-case basis. One exception to this is that NVTA funding approval for studies does not infer a commitment to fund any subsequent project phase, including additional studies. Continuity of funding commitments requires compliance with all terms and conditions associated with approved SPAs, and any requirements imposed by NVTA.
Cost sharing: while cost sharing is included as a criterion for quantitative scoring, it is also included as a qualitative consideration to take account of any conditions associated with other funds, e.g. federal, state, local, and NVTA local (30%) funds.
Geographic balance: a policy consideration for the Authority when finalizing the FY2015-16 Two Year Program.
Modal balance: a policy consideration for the Authority when finalizing the FY2015-16 Two Year Program.
Additional supporting information