

## CVTA AGENDA 2/23/24; ITEM C.-1.

### REGIONAL PROJECT FUNDING – ROUND 3

#### Central Virginia Transportation Authority

**BACKGROUND:** The Central Virginia Transportation Authority has a responsibility under the Code of Virginia to develop a funding plan for regional priorities utilizing the portion of its revenue that is set aside for that purpose. The specific language in the Code is as follows:

*... The funding plan shall provide for the expenditure of funds for transportation purposes over a four-to-six-year period and shall align with the Statewide Transportation Plan established pursuant to §33.2-353, the long-range transportation plan of Planning District 15, or the long-range transportation plans of participating localities as much as possible. The Authority shall solicit public comment on its budget and funding plan by posting a summary of such budget and funding plan on its website and holding a public hearing. Such public hearing shall be advertised on the Authority's website and in a newspaper of general circulation in Planning District 15.*

From February 8, 2024 to February 22, 2024, the draft funding plan has been made available for public review on the CVTA website and in the following media publications: The Richmond Times-Dispatch, the New Kent / Charles City Chronicle, the Goochland Gazette, the Powhatan Today, Richmond Free Press, and the Henrico Citizen.

**Technical Advisory Committee Review:** Following guidelines in the adopted CVTA Regional Project Selection and Allocation Framework, CVTA staff developed project prioritization scores and rankings and presented that to the Technical Advisory Committee (TAC) at its regular February meeting. The TAC approved of the scoring and ranking process and approved the distribution of the project list for review during the public comment period.

**Finance Committee Review:** At their February meeting, Finance Committee members reviewed the candidate projects and recommended awards and reviewed the proposed allocation plan. Rather than make a recommendation for action to the full CVTA Authority, the Finance Committee took the following action:

The CVTA Technical Advisory Committee should meet to discuss the development of an additional draft funding scenario for consideration by the full authority. That consideration should include the following:

1. Include an additional year of programming funds, which would align this round with the programming year of Smart Scale Round 6, through FY31

2. Include the use of reserves that CVTA staff have set aside as a potential working capital reserve. For background, this amount is equal to roughly 3 months of expected regional fund revenue and is intended to do the following:
  - a. Help achieve financial stability and flexibility and to provide cushion against unexpected events that could impact cash flow.
  - b. This reserve is different from the framework programming methodology that sets aside a targeted percentage of allocations to cover cost increases and allow for project selection in the future. PFM's opinion is that the framework component is more of a planning and programming guidance than a reserve.
  - c. The working capital reserve can be built back up with expected regional revenue and the guidance suggests for that time period not to exceed 18 months.
  
3. In addition to cost-benefit being used as a criteria for project selection, TAC should also consider:
  - a. Regional benefit
  - b. Adjusted funding requests
  - c. Project readiness
  - d. Leveraging opportunity
  - e. Other localities support

CVTA staff, TAC and Finance Committee members will be available for discussion of this item and its complexities at the full Authority meeting on February 23<sup>rd</sup>. At that time, it is a uniformly recommended action for the CVTA to approve Round 3 Regional funding allocations that can be advanced into the pre-application cycle for Smart Scale Round 6.

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**REQUESTED ACTION:** Motion for Central Virginia Transportation Authority approval of the Round 3 Regional Funding Scenario

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**CVTA RESOLUTION:** The following resolution is presented for Central Virginia Transportation Authority approval:

**Resolved,** that the Central Virginia Transportation Authority (CVTA) approves the Regional Round 3 funding scenario.

CAP  
Attachments