SMART SCALE Policy Update

December 12, 2023

Summary of Staff Recommendations

Problem	Staff Recommendation	Improvement
SMART SCALE scoring should be forward-looking.	1. Calculate Congestion factor ~~10~~ **7** years in the future 2. Utilize a forward-looking Economic Development measure	• Better align with project design requirements that are based on future growth volumes and consider future economic growth. • Reflect best-in-class economic impact assessments currently used by VEDP to incorporate key economic priorities of the Commonwealth.
The HPP program is being used to fund both low-scoring and small projects.	3. Refine High-Priority Projects Program (HPP) Eligibility and Eliminate Step 2	• Clarify CTB Policy to ensure HPP projects are of statewide or regional significance. • Distribute all HPP program funds based on statewide rankings of SMART SCALE scores, rather than district-wide rankings.
~~Need to improve application quality and reduce quantity of applications~~	~~4. Create a three-tier application limit~~	• ~~Focuses on applicant priorities to improve overall outcomes and increase application success rate.~~
There is a one-factor majority driving project benefits. Desire to add greater emphasis on Safety.	5. ~~Modify Land Use factor to a multiplier~~ **Remove Land Use Factor** and modify factor weightings	• Emphasize what the project's benefits are versus where the project is located. • Increase factor weightings in Safety and Congestion.

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1. Calculate Congestion Factor 7 ~~10~~ years in the Future

- Better align with project design requirements that are based on future growth volumes and consider future economic growth.

Testing Result: Looking 10 years out, changed the mix of project types in urban areas with positive impacts on larger (>$10M) Highway Primary Improvement Types (PIT).

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2. Utilize a Forward-Looking Economic Development Measure

- **Reflect best-in-class economic impact assessments currently used by VEDP to incorporate key economic priorities of the Commonwealth.**

- **This would replace the current ED.1 with VEDP-provided factors that consider the economic development potential of sites impacted by the applicant project.**

Testing Result: Added projects that were all Highway PIT in mostly rural areas of the Commonwealth with an average cost of $15 Million.

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3. Refine High-Priority Projects Program (HPP) Eligibility and Eliminate Step 2

- **Refine the HPP definition to include "what" type of projects by feature type:**
  - New Capacity Highway improvements including adding New ~~Through~~ Lanes, Roadway on New Alignment, and Managed Lanes (HOV/HOT/Shoulder), New Bridge
  - New or Improved Interchanges including New Interchange-Non-Limited Access Facility, Improve Grade-Separated Interchange, New Interchange-Limited Access Facility, and Ramp Improvements
  - Transit and Freight improvements including New or Improved Passenger Rail Stations or ~~Service~~ or Corridor Improvements (including New Bridge) Freight Rail Improvements, High-Capacity / Fixed Guideway Transit (including Light Rail Transit or Bus Rapid Transit), Transit Transfer Stations
  - ~~Revised to add~~ entire corridor Improvements recommended as the preferred alternative in a STARS, Pipeline Study, or Arterial Management Plan, **or MPO/Transit/Local studies with equivalent study components; in coordination with the Commonwealth and is as defined as Regionally significant, in accordance with 23 CFR 450.104.**

- **Eliminate Step 2, which provides statewide HPP funds to projects based on district rankings**
  - New process would distribute all HPP program funds based on statewide rankings of SMART SCALE scores

Testing Result: HPP average funded went from $15.6M (30 projects) to $31.8M (17 projects). All Bike & Ped PIT were removed from HPP funding. Bike & Ped PIT were reduced from 51 to 15 funded projects.

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4. Create a Three-Tier Application Limit

	Tier	Localities	MPO, PDC, or Transit Agency	Max Pre-Applications	Max Full Applications
	1	< 100,000	< 200,000	4	3
Staff Recommendation	2	100,000 - 200,000	200,000 - 500,000	5	4
	3	>= 200,000	>= 500,000	7	6

- **Revision from 250,000 to 200,000 made to accommodate federally designated Transportation Management Area (TMA).**
  - o 17 total entities in the middle tier (Adds Roanoke Valley Transportation Planning Organization and Arlington Transit)
  - o Will use the latest available data from the University of Virginia Weldon Cooper Center to determine the population
- **Existing CTB policy allows:**
  - o A Board member may allow one additional application from a county within their district if (1) the project is located within a town that is ineligible to submit projects and (2) the county in which the town is located will submit the maximum number of applications allowed. Only one such additional application is allowed per district.

> Testing Result: In combination with administrative improvements, applicants are likely to submit ready projects (higher quality) and applicants will have a higher success rate of funding.

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5. Remove Land Use Factor ~~to a Multiplier and~~ Modify Factor Weightings

- **Two Step Process**

  1. Assign current Land Use factor weighting to other factor categories

Round 6 Board Approved Weightings					
Factor	Safety	Congestion	Accessibility	Economic Development	Environment
Type A	15% (+10%)	45%	25% (+10%)	5%	10%
Type B	20%	25% (+10%)	25% (+5%)	20%	10%
Type C	30% (+5%)	20% (+5%)	15%	25%	10%
Type D	40% (+10%)	10%	10%	30%	10%

(Environment column: Up to -5 Points)

  2. ~~Use the normalized Land Use factor as a multiplier on all other benefits (1+Normalized Score/100)~~

~~**Testing Result: Dropped small (<$10M) projects across all area types with a majority coming from Bike & Ped PIT and an average cost of $8.2M. Added projects with a majority coming in area types C and D with the majority Highway PIT and an average cost of $16.7M.**~~

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Schedule and Next Steps

Month	Topics
December 4	Board Action on Revised SMART SCALE Policy
December	Round 6 Draft SMART SCALE Technical Guide (posted to homepage of website)
January	Round 6 Final SMART SCALE Technical Guide (posted to homepage of website)
March 1	Round 6 Pre-Application Opens

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