

Appendix A

SMART SCALE Project Prioritization Policy and Process Effective for Round 6

I. Application Submission and Evaluation

1. Application for funding through the SMART SCALE Prioritization Process must be made by qualifying entities based on project type and as follows:

Eligibility to Submit Projects

Project Type	Regional Entity (MPOs, PDCs)	Locality* (Counties, Cities, and Towns)	Public Transit Agencies
Corridor of Statewide Significance	Yes	Yes, with a resolution of support from relevant regional entity	Yes, with resolution of support from relevant regional entity
Regional Network	Yes	Yes, with a resolution of support from the MPO*	Yes, with resolution of support from relevant entity
Urban Development Area	No	Yes, with a resolution of support from the relevant MPO*	No
Safety	No	Yes, with a resolution of support from the relevant MPO*	No

Note*: Projects within established MPO study areas that are identified in or consistent with the regionally adopted Constrained Long-Range Plan (CLRP) do not require a resolution of support from the respective MPO Policy Board. For projects outside MPO areas only a local resolution of support is required.

2. Application for funding through the SMART SCALE Prioritization Process must be made for a qualifying need. Pursuant to Section 33.2-214.1 (B)(2) and 33.2-358, for the High Priority Projects Program, applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for all corridors of statewide significance and regional networks. The District Grant Program applications must be consistent with the assessment of needs undertaken in the Statewide Transportation Plan in accordance with Section 33.2-353 for corridors of statewide significance, and regional networks, improvements to promote urban development areas established pursuant to Section 15.2-2223.1 and identified safety needs.
3. Applications for funding through either the High Priority Projects Program or the Construction District Grant Programs must relate to projects located, in part or wholly, within the boundaries of the qualifying entity. In the case of an application that crosses

Adoption of Policy and Approval of Guides for Implementation of the SMART SCALE Project
Prioritization Process
December 4, 2023

the submitting entity's boundaries, the submitting entity must provide resolution(s) of support from the affected jurisdiction(s) or regional planning organization(s).

Eligibility for the High Priority Projects Program is limited to the following project characteristics:

- i. New Capacity Highway capacity improvements including adding a New Lane, Roadway on a New Alignment, Managed Lanes (HOV/HOT/Shoulder), or New Bridge;
- ii. New or Improved Interchanges including New Interchange-Non-Limited Access Facility, Improve Grade-Separated Interchange, New Interchange-Limited Access Facility, and Ramp Improvements;
- iii. Transit and Freight improvements including New or Improved Passenger Rail Stations or Corridor Improvements (including New Bridge), Freight Rail Corridor Improvements, High Capacity/Fixed Guideway Transit (including Light Rail Transit and Bus Rapid Transit), and Transit Transfer Stations; or
- iv. Improvements recommended as the preferred alternative in a STARS, Pipeline Study, 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.

Additionally, projects eligible for the High Priority Projects Program will be considered in the preliminary funding scenario based on statewide rankings of SMART SCALE scores. The two steps process will be as follows:

- Step 1 - Fund top scoring projects within each district based on SMART SCALE Score eligible for Highway Construction District Grant Program funds using Highway Construction District Grant Program funds until the remaining funds are insufficient to fund the next highest scoring project.
 - Step 2 - Fund remaining top scoring projects statewide based on SMART SCALE Score for High Priority Projects Program funds using High Priority Projects Program funds until the remaining funds are insufficient to fund the next highest scoring project.
4. A resolution of support from the relevant governing body or policy board, approved in a public forum with adequate public notice, is required at the time of application.
 5. By majority vote of the Board, the Board may choose to submit up to two projects to be evaluated for funding in each biennial application cycle.
 6. In the event the CTB elects to submit up to two projects to be evaluated and considered for funding, the projects will be considered for funding in the Construction District Grant Program with the endorsement of the applicable local government(s) and/or the High Priority Projects Program.
 7. Qualifying entities are limited in the number of pre-applications and full applications they may submit. The limits are based on population thresholds as defined in the table below. A Board member may allow one additional application from one county within their district if (i) the project is located within a town that is ineligible to submit projects and

Adoption of Policy and Approval of Guides for Implementation of the SMART SCALE Project
 Prioritization Process
 December 4, 2023

(ii) the county in which the town is located submitted the maximum number of applications allowed. Only one such additional application is allowed per district.

Application Limits

Tier	Localities*	MPOs/PDCs/ Transit Agencies*	Max # of Pre- Applications	Max # of Full Applications
1	< 200K	< 500K	5	4
2	>= 200K	>= 500K	12	10

The source of population data for localities, MPOs and PDCs is the last available data from the University of Virginia Weldon Cooper Center. Application limits for transit agencies were determined based on service area population in the 2010 National Transit Database (NTD). If service area population was not available in NTD, the latest data available from the Weldon Cooper was used to determine population in jurisdictions served by transit agency.

Note*: Based on designated Transportation Management Area (TMA) as defined by the Bureau of the Census and designated by the Secretary of the U.S. Department of Transportation, for an urbanized area with a population over 200,000.

8. Candidate projects will be scored based on the factors and weights identified above relative to other projects submitted for evaluation, the cost of the project and based on information included in the project application.
9. The final project score is determined by calculating the anticipated benefits relative to the amount of funding requested pursuant to section 33.2-358 of the *Code of Virginia*.
10. 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 to other projects selected through the prioritization process. In the event the Project is not advanced to the next phase of construction when requested by the Commonwealth Transportation Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the *Code of Virginia*, to reimburse the Department for all state and federal funds expended on the project.
11. A project that has been selected for funding cannot be resubmitted to address cost increases or loss of other sources of funding.

II. Factor Measures and Weighting

The factors specified in Section 33.2-214.1 will be measured and weighted according to the following metrics:

Adoption of Policy and Approval of Guides for Implementation of the SMART SCALE Project
 Prioritization Process
 December 4, 2023

ID	Measure Name	Measure Weights
Safety Factor		
S.1	Number of Fatal and Injury Crashes*	70%
S.2	Rate of Fatal and Injury Crashes	30%
Congestion Mitigation Factor		
C.1	Person Throughput	50%
C.2	Person Hours of Delay	50%
Accessibility Factor		
A.1	Access to Jobs	60%
A.2	Access to Jobs for Disadvantaged Populations	20%
A.3	Access to Multimodal Choices	20%
Environmental Quality Factor		
E.1	Air Quality and Energy Environmental Effect	100%
E.2	Impact to Natural and Cultural Resources	**
Economic Development Factor		
ED.1	Project Support for Economic Development	60%***
ED.2	Intermodal Access and Efficiency	20%****
ED.3	Travel Time Reliability	20%

Note: Congestion will be calculated 7 years into the future.

Note*: 100% for Transit and Transportation Demand Management Projects

Note**: E2 will serve as a subtractive measure (subtracting up to 5 benefit points) based on the acreage of sensitive areas potentially impacted.

Note*** ED.1: After determining project eligibility based on identification in VirginiaScan, the following forward-looking economic development factors developed by Virginia Economic Development Partnership (VEDP) for the ED.1 score; (i) 40% estimated jobs, (ii) 25% estimated capital investment, (iii) 15% recognize property / site funding, (iv) 10% property visits received, and (v) 10% distinguish property readiness.

Note****ED.2: Freight impact will be calculated based on volume moved.

III. Typology Categories and Weighting Frameworks

The factors will be evaluated according to the following typology categories and weighting frameworks within the state’s highway construction districts.

Region in which the Project is Located	Typology	Construction District
Accomack-Northampton PDC	Category D	Hampton Roads
Bristol MPO	Category D	Bristol
Central Shenandoah PDC	Category D	Staunton
Central Virginia MPO	Category C	Lynchburg/Salem
Charlottesville-Albemarle MPO	Category B	Culpeper
Commonwealth RC	Category D	Lynchburg/Richmond
Crater PDC	Category D	Richmond/Hampton Roads
Cumberland Plateau PDC	Category D	Bristol
Danville MPO	Category D	Lynchburg
Fredericksburg Area MPO (FAMPO)	Category B	Fredericksburg
George Washington RC	Category D	Fredericksburg
Hampton Roads PDC ⁱ	Category D	Hampton Roads
Hampton Roads TPO (HRTPO) ^{i,iii}	Category A	Hampton Roads/Fredericksburg
Harrisonburg-Rockingham MPO	Category C	Staunton
Kingsport MPO	Category D	Bristol
Lenowisco PDC	Category D	Bristol
Middle Peninsula PDC ⁱⁱ	Category D	Fredericksburg
Mount Rogers PDC	Category D	Bristol/Salem
New River Valley MPO	Category C	Salem
New River Valley PDC	Category D	Salem
Northern Neck PDC	Category D	Fredericksburg
Northern Shenandoah Valley RC	Category D	Staunton
Northern Virginia RC	Category A	Northern Virginia
Northern Virginia Transportation Authority (NVTA) / Transportation Planning Board (TPB) ⁱⁱⁱ	Category A	Northern Virginia/Culpeper
Rappahannock-Rapidan RC ⁱⁱⁱ	Category D	Culpeper
Region 2000 LGC	Category D	Salem/Lynchburg
Richmond Regional PDC	Category D	Richmond
Richmond Regional TPO (RRTPO)	Category B	Richmond

Adoption of Policy and Approval of Guides for Implementation of the SMART SCALE Project
 Prioritization Process
 December 4, 2023

Region in which the Project is Located	Typology	Construction District
Roanoke Valley TPO (RVTPO)	Category B	Salem
Roanoke Valley-Alleghany PDC	Category D	Salem/Staunton
Southside PDC	Category D	Lynchburg/Richmond
Staunton-Augusta-Waynesboro MPO	Category C	Staunton
Thomas Jefferson PDC	Category C	Culpeper/Lynchburg
Tri-Cities MPO	Category C	Richmond
West Piedmont PDC	Category D	Salem/Lynchburg
WinFred MPO	Category C	Staunton

Note*: PDC is defined as the remainder of the region outside the MPO boundary. In many cases, these regions include partial counties (e.g., Goochland County is partially within RRTPO and the Richmond Regional PDC). If a project is within the MPO boundary in a partial county, the project shall use the weighting associated with the MPO with the following exceptions:

- i. The portion of Southampton County and the City of Franklin within the Hampton Roads TPO boundary shall use the weighting associated with the Hampton Roads PDC.
- ii. The portion of Gloucester County within the Hampton Roads TPO boundary shall use the weighting associated with the Middle Peninsula PDC.
- iii. The portion of Fauquier County within the Transportation Planning Board Boundary shall use the weighting associated with the Rappahannock-Rapidan Regional Commission.

Note** For projects that cross multiple typology boundaries, the project shall use the weighting associated with the typology for which the majority of the project is located.

IV. Weighting Frameworks

Factor	Safety	Congestion Mitigation	Accessibility	Economic Development	Environmental Quality
Category A	15%	45%*	25%	5%	10%
Category B	20%	25%	25%	20%	10%
Category C	30%	20%	15%	25%	10%
Category D	40%	10%	10%	30%	10%

Note* - Pursuant to Chapter 726 of the 2014 Acts of Assembly, 6th enactment clause, for certain highway construction districts congestion mitigation must be weighted highest among the factors.

V. Post Project Selection and Programming

1. Once a project is selected for funding, an entity must wait for two rounds of SMART SCALE following the end date of construction before submitting a new project application for the same location that meets the same need as the project that was selected for funding.

Adoption of Policy and Approval of Guides for Implementation of the SMART SCALE Project
Prioritization Process
December 4, 2023

2. Once a project is selected for funding, an entity may not resubmit the project with a revised scope in a subsequent round unless the previously selected project has been cancelled.
3. A project that has been selected for funding may be cancelled only by action of the Board. If a project is not advanced to the next phase of construction when requested by the Board, the locality or metropolitan planning organization may be required, pursuant to § 33.2-214 of the Code of Virginia, to reimburse the Department for all state and federal funds expended on the project.
4. In the cases where a project has been selected for funding which identified other sources of funding, the qualifying entity is committed to pay the difference if other sources of funding are not provided. An applicant may only identify State of Good Repair, Transportation Alternatives Set-Aside, Highway Safety Improvement Program and Revenue Sharing funds as committed funds if the funding has already been approved by the Board. Applicants must have an approved or pending application for other sources of committed funds, such as local/regional or other federal funds, at the time of the SMART SCALE application submission.
5. Pursuant to 33.2-214 E, any project added to the SYIP funded wholly or in part with funding from the High Priority Projects Program or Construction District Grants Program shall be fully funded within the six-year horizon of the SYIP.
6. Applications for funding through the SMART SCALE Prioritization Process may not request funding to replace other committed funding sources identified in a local capital improvement program or a transportation improvement program or required to be paid by a developer as a result of a local zoning process.
 - a. The CTB may waive this requirement for projects that:
 - i. have an anticipated total cost more than \$1 billion; and
 - ii. were not eligible for submission in the previous round of SMART SCALE due to readiness considerations, but initiated procurement prior to award of the current round of SMART SCALE.
 - b. If a fully funded project is submitted with additional features that are not yet funded, the benefits associated with the fully funded or committed project element(s) will be excluded from consideration in evaluating and rating the project benefits for SMART SCALE.
7. The Board may adjust the timing of funds programmed to projects selected in previous SMART SCALE cycles to meet the cash flow needs of the individual projects, but will not (1) reduce the total amount of state and federal funding committed to an individual project unless it is no longer needed for the delivery of the project or the project sponsor is unable to secure permits and environmental clearances for the project or (2) increase the total amount of state and federal funding committed to an individual project beyond the thresholds established in VI.2. Projects from a subsequent round will not be advanced or accelerated by delaying projects selected in a previous SMART SCALE cycle.

Adoption of Policy and Approval of Guides for Implementation of the SMART SCALE Project
Prioritization Process
December 4, 2023

8. In cases where programmed funds are no longer needed for delivery of a project due to estimate decreases, contract award savings, schedule changes, etc., the unexpended surplus funds are SMART SCALE unless superseded by the terms of a signed project agreement.
 - a. Surplus Construction District Grant Program funds no longer needed for delivery of a project will remain within the applicable Construction District Grant Program and may not be used in other districts.
 - b. Surplus High Priority Projects Program funds will remain within the High Priority Projects Program.
 - c. Such surplus funds will be reserved to address budget adjustments on existing SMART SCALE projects or reserved for allocation in the next solicitation cycle for SMART SCALE.

VI. Changes in Project Cost or Scope

1. A project that has been selected for funding must be re-scored and the funding decision re-evaluated if there are significant changes to either the scope or cost of the project, such that the anticipated benefits relative to funding requested would have substantially changed.
2. If an estimate increases prior to project advertisement or contract award that exceeds the following thresholds, and the applicant is not covering the increased cost with other funds, Board action is required to approve the budget increase:
 - a. Total Cost Estimate <\$5 million: 20% increase in funding requested.
 - b. Total Cost Estimate \$5 million to \$10 million: \$1 million or greater increase in funding requested.
 - c. Total Cost Estimate > \$10 million: 10% increase in funding requested; \$5 million maximum increase in funding requested.
3. If the project scope is reduced or modified such that the revised score is less than the lowest ranked funded project in the district for that cohort of projects, Board action is required to approve the change in scope.
4. If the project scope is increased, then the applicant is responsible for the additional cost attributable to the increase in scope regardless of budget impact. The scope of a project may not be substantially modified in such a manner that the proposed improvements do not accomplish the same benefits as the original scope.