

**MOTION:**

**SECOND:**

**RE:               APPROVE POLICY CHANGES GOVERNING THE COMMUTER CHOICE ON THE  
I-395/95 CORRIDOR PROGRAM**

**ACTION:**

**WHEREAS**, the Memorandum of Agreement regarding the Annual Transit Investment from the 395 HOT Lanes ("I-395/95 MOA") establishes that the Northern Virginia Transportation Commission (NVTC) and Potomac and Rappahannock Transportation Commission (PRTC) shall jointly take approval actions in relation to the Commuter Choice on the I-395/95 Corridor Program; and

**WHEREAS**, the Memorandum of Agreement between NVTC and PRTC for Distribution and Allocation of I-395 Annual Transit Investment Funds, adopted by both Commissions in January 2019, establishes that NVTC will administer the Commuter Choice program; and

**WHEREAS**, the I-395/95 MOA requires that any project proposed for Commuter Choice funding must benefit toll paying users of the 95 and 395 Express Lanes facility; and

**WHEREAS**, the Second Amended and Restated Memorandum of Agreement – Transform66: Inside The Beltway Project that governs the Commuter Choice on the I-66 Corridor Program stipulates that any funded project must have its funding obligated within two years of allocation and expended within five years of allocation, a stipulation that NVTC also applies to the I-395/95 corridor for programmatic consistency; and

**WHEREAS**, receipt of Commuter Choice funding carries significant reporting and other administrative responsibilities to support NVTC in its program management responsibilities; and

**WHEREAS**, the I-395/95 MOA requires NVTC and PRTC to report annually to the Commonwealth on the performance of funded projects, which necessitates projects that have readily measurable outcomes; and

**WHEREAS**, NVTC's Standard Project Agreements require successful completion of projects as per the I-395/95 MOA, at risk of recipients needing to return Commuter Choice funds to NVTC; and

**WHEREAS**, the Commission, as a party to the I-395/95 MOA, has a strong interest in encouraging a portfolio of Commuter Choice projects that offer robust benefits to toll payers and that can successfully be implemented within the parameters of the I-395/95 MOA.

**NOW, THEREFORE, BE IT RESOLVED** that the Potomac and Rappahannock Transportation Commission does hereby approve four (4) policy changes to the Commuter Choice on the I-395/95

Corridor program: 1) A framework for larger capital projects; 2) a minimum funding award amount; 3) a more defined set of guidelines and requirements for transportation demand management projects; and 4) a partner support documentation requirement.

**BE IT FURTHER RESOLVED** that approval of these changes is contingent upon the Northern Virginia Transportation Commission's approval of a comparable resolution.

**Votes:**

**Ayes:**

**Nays:**

**Abstain:**

**Absent from Vote:**

**Alternate Present Not Voting:**


**Absent from Meeting:**



October 29, 2020

TO: Chair Franklin and PRTC Commissioners

FROM: Kate Mattice, NVTC Executive Director  
Ben Owen, Commuter Choice Senior Program Manager  
Joe Watkins, Commuter Choice Marketing and Outreach Manager

THROUGH: Robert A. Schneider, PhD   
Executive Director

SUBJECT: Commuter Choice Program

---

At the November meeting the Commission will be asked to take action to: 1) approve policy changes governing Commuter Choice on the I-395/95 Corridor and 2) authorize Northern Virginia Transportation Commission (NVTC) staff to open the Round Two (FY 2022-FY 2023) call for projects for the I-395/95 corridor program, which will include adoption of the technical evaluation process.

**A. Commuter Choice on the I-395/95 Corridor Policy Changes**

**ACTION ITEM: Approve Policy Changes Governing the Commuter Choice on the I-395/95 Corridor Program**

At the November meeting the Commission will be asked to approve an action item which will enact the four (4) Commuter Choice policy changes described below. The changes, which were the subject of one-on-one briefings with the PRTC and NVTC Commissioners on the I-395/95 Joint Commission Working Group over the summer and discussed in the October Commission meeting materials, would apply to future calls for projects in both Commuter Choice corridors: I-395/95, beginning with Round Two (FY 2022-2023) and I-66 Inside the Beltway, beginning with Round Five (FY 2023-2024). The Commission is being asked to approve the changes specifically in relation to the I-395/95 corridor program, for which PRTC and NVTC share approval authority per the Memorandum of Agreement with the Commonwealth that governs the program. NVTC will also be asked to approve the changes in relation to both the I-395/95 and I-66 corridor programs.

***Proposed Framework for Larger Capital Projects***

NVTC staff seek to encourage infrastructure project proposals under Commuter Choice and wish to clarify how NVTC will accommodate them under the program. While lower cost capital

and operating projects will continue to be eligible and considered for the Commuter Choice program, this new framework will provide guidance for those applicants seeking funding for higher-cost capital projects, ensuring that they meet the program's two-year funding obligation and five-year funding expenditure deadlines for all funded projects. In doing so, NVTC staff seek to create as little new process as possible relative to other regional funding partners for infrastructure projects, namely the Virginia Department of Rail and Public Transportation and the Northern Virginia Transportation Authority.

The following additional parameters would apply only to projects for which at least approximately \$5 million is being requested for capital activities:

- The only activities that Commuter Choice would support are asset acquisition (including land) and construction.
- The largest amount of Commuter Choice funding that could be requested is \$20 million (this limit would apply to any project, but is likely only to be relevant for infrastructure proposals).
- The project must be ready to begin construction within two years of Commuter Choice funding allocation in order to be considered for funding. NVTC would request additional information on the project's planning status, scope, schedule, budget and other funding, and review these in parallel to the standard eligibility review and technical evaluation.
- Commuter Choice funds for the project may be programmed over two consecutive two-year programs. For instance, a hypothetical capital project seeking \$18 million in I-395/95 Round Two (FY 2022-2023) could receive \$10 million in Round Two and \$8 million in Round Three (FY 2024-2025).
- NVTC would conduct more frequent and in-depth progress meetings. These may be held in conjunction with other regional funding partners.

There would be no changes to the scoring for these projects, nor would changes to the Commuter Choice MOAs with the Commonwealth be needed.

#### ***Proposed Minimum Funding Award***

NVTC staff seek to establish \$200,000 as the minimum funding award amount for any Commuter Choice project. Receiving Commuter Choice funds carries administrative responsibilities – including quarterly progress reporting, annual performance reporting and submitting detailed reimbursement requests. The minimum award would ensure that any efforts that the program funds are at least commensurate with the administrative responsibilities. Additionally, only two of 45 projects funded to date have been below this amount.

***Proposed Requirements for Transportation Demand Management Campaigns***

NVTC staff seek to establish parameters around standalone transportation demand management (TDM) projects – specifically education, outreach and incentive campaigns to encourage commuters to shift away from drive-alone trips, especially for commuting. Specifically, any standalone TDM projects would need to be:

- Targeted exclusively to I-395/95 or I-66 Inside the Beltway toll payers.
- Have directly measurable ridership outcomes.

Eligible strategies would include, for example, targeted vanpool subsidies for new riders, targeted rail station parking fee reductions for new or returning riders and targeted transit fare reductions (e.g., linked to particular SmarTrip cards). Applicants may propose other strategies that meet these requirements and/or may group complementary strategies into a single TDM project proposal.

Overall, NVTC must ensure that Commuter Choice funds are strictly benefitting toll payers in line with requirements of Virginia legal precedent and that NVTC can readily measure the impacts of its funding support. Both aspects are a challenge with traditional TDM campaigns that are typically incremental and focused on broader groups of travelers (e.g., by employer or by geography).

For other types of project, such as new and enhanced bus services, NVTC staff will continue to encourage applicants to consider project-specific TDM elements – such as introductory fare-free campaigns and marketing and promotional activities – when they are developing project proposals.

***Proposed Requirement for Partner Support Documentation***

NVTC staff seek to require executive-, Board- or Council-level support documentation as part of the application for any proposed project that would be operated by, constructed by or involve significant modifications to facilities owned by a third-party. Examples of such situations include:

- A proposed bus service improvement for which a local jurisdiction is the applicant but WMATA, OmniRide or another jurisdiction's bus service would be the operator.
- A proposed modification to VDOT-owned roadway or other right-of-way.
- A proposed expansion of a rail station owned by WMATA or VRE.

To fulfill the requirement, an applicant for a proposed project with significant third-party engagement would need to obtain an executive-level signed letter or Board- or Council-approved resolution from the third party indicating awareness of and general support for the project, along with indication of willingness to work with the applicant to resolve any outstanding steps or issues. NVTC staff seek to establish this requirement to ensure that any

projects funded involve significant third-party engagement, regardless of cost or complexity, can proceed smoothly toward implementation.

NVTC staff conducted extensive outreach over the summer regarding these changes. NVTC staff held a webinar for all eligible Commuter Choice applicants in July, followed by one-on-one briefings with all PRTC and NVTC members on the I-395/95 Joint Commission Working Group and NVTC Program Advisory Committee members. Overall, applicants and Commissioners understood the need and rationale for the changes. NVTC staff refined the proposed changes in response to feedback, for instance lowering the proposed minimum funding award from \$250,000 to \$200,000 to ensure that smaller jurisdictions can compete effectively for funds. A written summary of the changes was provided with October's meeting materials.

#### **A. Commuter Choice on the I-395/95 Corridor Round Two (FY 2022-FY 2023) Call for Projects**

##### **ACTION ITEM: Adopt the Technical Evaluation Process for the Commuter Choice on the I-395/95 Corridor Program and Authorize the NVTC Executive Director to Issue a Call for Projects for I-395/95 Corridor Round Two (FY 2022-FY 2023)**

At the November meeting the Commission will be asked to approve an action item which will authorize a call for projects for [Commuter Choice on the I-395/95 Corridor](#) Round Two (FY 2022-2023) and adopt the technical evaluation process that will be used. NVTC will be asked to take a comparable action. The adoption of the technical evaluation process would apply to calls for projects under the I-395/95 corridor program until the Commissions seek to change the process.

#### Round Two (FY 2022-FY 2023) Call for Projects Overview and Schedule

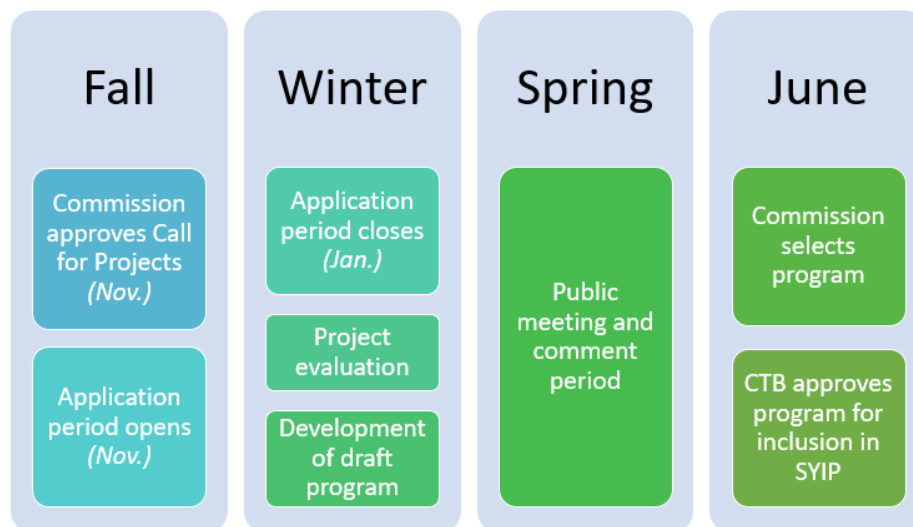
Projects selected for funding will be included in the Commonwealth's FY 2022 to FY 2027 Six Year Improvement Program (SYIP). The program follows the selection process prescribed in the MOA, whereby NVTC staff evaluate eligible projects and develop a proposed program of projects for the I-395/95 Joint Commission Working Group (JCWG) to consider. The I-395/95 JCWG recommends a program of projects to the two full Commissions (PRTC and NVTC), which then adopt a program and refer it to the CTB for final approval and adoption into the SYIP. NVTC staff will conduct a public comment period and share comments with the JCWG and both Commissions prior to any action to adopt a program of projects.

NVTC anticipates full funding of the two-year program with about \$30 million available for projects. Transurban staff indicated to NVTC staff in an October 16 conference call that Transurban will make the full 2020 payment stipulated in the 395 Express Lanes comprehensive agreement and I-395/95 MOA, of \$15,375,000, to the Commonwealth next month despite lower traffic volumes in the 95 and 395 Express Lanes since the beginning of the COVID-19 public health emergency. Traffic volumes in the Express Lanes have rebounded from a low this spring of approximately 30% to roughly 70% to 80% of pre-COVID-19 projections. Overall

revenue from the 95 and 395 Express Lanes is less affected by changes in commute trip volumes than the weekday peak-period, peak-direction I-66 Inside the Beltway tolling, since Express Lanes tolls are collected at all times throughout the week.

The call for projects notice, which will include information about how to apply for funds, will be issued to eligible applicants following approval by the Commissions in November. Online applications will be accepted via the NVTC website from November 9, 2020 until January 29, 2021. The proposed schedule for the Round Two call for projects is shown below:

**Figure 1: Proposed Schedule for the Commuter Choice on the I-395/95 Corridor Round Two Call for Projects**



NVTC staff began applicant engagement around the Round Two call for projects with an introductory webinar for all eligible applicants on Tuesday, October 6 about the program and call for projects. NVTC staff has requested high-level information from potential applicants about their project ideas and will review these in terms of alignment with program eligibility and goals with each eligible applicant at one-on-one workshop sessions after the call for projects opens.

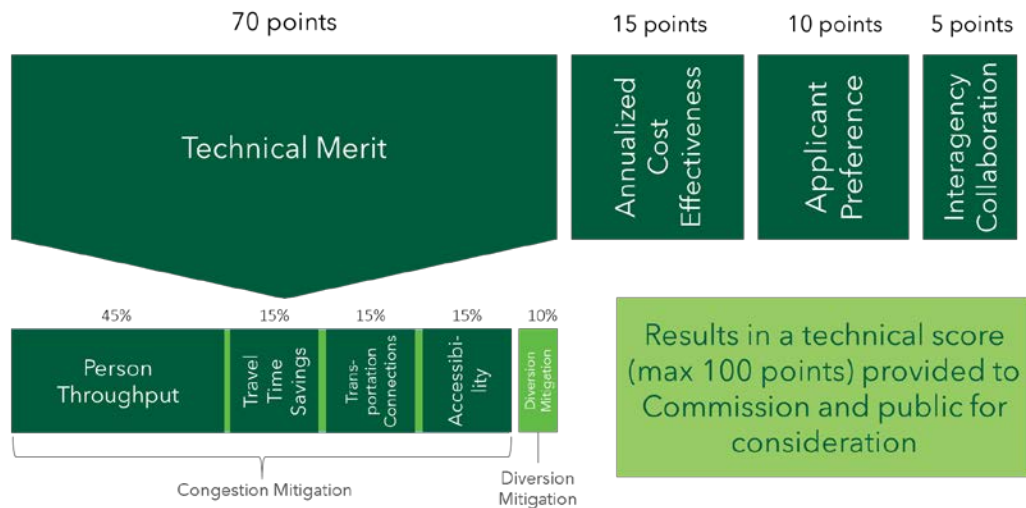
The one-on-one workshops will also provide an opportunity for NVTC and applicant staff to review the application form and other required materials in detail. NVTC staff is developing additional resources, including a video overview, to assist applicants through the application process.

#### Round Two (FY 2022-FY 2023) Technical Evaluation Process

The Commission will be asked to adopt the evaluation process used for the Commuter Choice on the I-66 Corridor Round Four call for projects last fall as the process that will be used for calls

for projects in the I-395/95 corridor until such time as the Commissions desire to make changes to it. NVTC staff indicated the intent last fall to keep the process in place for both corridors without substantive changes for at least five years to provide predictability for applicants and a consistent basis for evaluating the outcomes of Commuter Choice funding. Figure 2 shows the process.

**Figure 2: Proposed Technical Evaluation Process for the Commuter Choice on the I-395/95 Corridor Round Two (FY 2022-2023) Program**



NVTC will be asked to take a comparable action that will apply to both the I-395/95 and I-66 corridor programs.