



TO: Chair Franklin and PRTC Commissioners

FROM: Kate Mattice, Executive Director
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DATE: September 24, 2020

SUBJECT: Commuter Choice Program

At the October meeting the Commission will be asked to take action to authorize the Northern Virginia Transportation Commission (NVTC) Executive Director to submit the Commuter Choice Program FY 2020 Annual Report to the Commonwealth Transportation Board (CTB). The Commission will also receive a briefing on the upcoming Commuter Choice on the I-395/95 Corridor Round Two (FY 2022-2023) call for projects.

A. Commuter Choice Program Annual Report

- **ACTION ITEM: Authorize the Northern Virginia Transportation Commission (NVTC) Executive Director to Submit the Commuter Choice Program FY 2020 Annual Report to the Commonwealth Transportation Board (CTB)**

At the October meeting the Commission will be asked to authorize the NVTC executive director to submit the Commuter Choice Program FY 2020 Annual Report to the CTB. The [Memorandum of Agreement \(MOA\) with the Commonwealth that governs Commuter Choice on the I-395/95 Corridor](#) requires that the report for this corridor be submitted jointly by NVTC and PRTC, as the two Commissions have joint approval authority over the program, and both will be asked on October 1 to authorize the report's submittal. NVTC staff have prepared a single report for the two Commuter Choice corridors since NVTC manages the I-395/95 corridor program per [separate MOA between the Commissions](#) and the I-66 corridor program exclusively. The report is due to the CTB by October 31 each year (within 120 days of the end of NVTC's fiscal year).

The proposed annual report will be provided at the October meeting as a blue-sheeted (last minute) item. The FY 2020 report is the first to include a look-back on the performance of projects funded under the program since its inception in 2015, as required per the respective [I-395/95](#) and [I-66 Inside the Beltway](#) MOAs with the Commonwealth. It is also the first report to feature both a printed overview summary of the program and a more detailed website to accompany the report. The website feature allows NVTC to expand outreach and share Commuter Choice program news to more stakeholders without requiring in-person meetings or events.

Highlights of the report include:

- Since 2015, the Commuter Choice program has invested over \$60 million in 46 transit and multimodal improvements in the I-66 Inside the Beltway and I-395/95 corridors. These investments fueled a 26 percent growth in commuter bus ridership and showed continued increases before the COVID-19 public health emergency.
- On the I-66 corridor, the Commuter Choice program funded 56 new bus trips each day that supported the ridership growth.
- Along these two commuting corridors, NVTC staff found that commuter bus and rail transit are complementary transit services to each other. The modes serve different markets and trip purposes, and both were enjoying ridership gains before the COVID-19 public health emergency.

Performance highlights from the report include:

- Commuter Choice is helping the I-66 Inside the Beltway and I-395/95 corridors perform more efficiently, with more travel options for commuters. Between 2015 – when the Commuter Choice program was established – until 2019, 700 *more* people moved through the I-66 inside the Beltway corridor in 750 *fewer* vehicles.
- The share of drive-alone trips in the I-66 Inside the Beltway corridor dropped from 36.4 percent in 2015 to 34.7 percent in 2019.
- Commuter Choice’s 24 operational and completed transit and access to transit projects move about 2,200 more people through the I-66 Inside the Beltway and I-395/95 corridors each morning.
- The number of trips provided by these projects is 86 percent of the total target that was the basis for the projects’ selection.
- In the I-66 corridor, 69 percent of the projects meet or exceed their targets. There are 16 operational and completed projects that move over 1,500 people each morning, within a reasonable range (77 percent) of their target.
- In the I-395/95 corridor, 75 percent of the projects meet or exceed the targets. There are eight operational projects that move close to 700 people each morning, substantially outperforming their target (117 percent).

NVTC staff obtained the performance data from [biennial traffic and transit ridership counts](#) conducted in the I-66 Inside the Beltway and I-395/95 corridors as well as annual project-specific data from funding recipients, as required per each project’s Standard Project Agreement. As in prior years, the annual report also includes information about the projects selected for funding and the benefits that were the basis for evaluation and selection of each project.

B. Commuter Choice on the I-395/95 Corridor Round Two Update

At the November meeting the Commission will be asked to take three actions in relation to opening the Commuter Choice on the I-395/95 Corridor Round Two (FY 2022-2023) call for projects:

1. Approve a series of policy changes governing the Commuter Choice program that will take effect beginning with the Round Two (FY 2022-2023) call for projects in the I-395/95 corridor.
2. Adopt the technical evaluation process used for last fall's I-66 Round Four call for projects as the process that will be used for calls for projects in the I-395/95 corridor until NVTC and PRTC approve changes to it, thereby making the evaluation approach consistent program-wide.
3. Authorize NVTC staff to open the call for projects.

Each action is discussed further below. PRTC and NVTC, which share approval responsibilities for the I-395/95 corridor program, will both be asked to take the same actions next month.

Proposed Commuter Choice Policy Changes

NVTC staff has identified a set of policy changes to improve NVTC's management of Commuter Choice – specifically to ensure that the program is encouraging and supporting strong efforts that benefit toll payers and providing proper stewardship of funds for a competitive program with rigorous performance reporting requirements. NVTC staff discussed the following changes with eligible applicants in July and members of the I-395/95 Joint Commission Working Group (JCWG), on which both NVTC and PRTC are represented, in August and September. Overall, Commissioners and applicant staff understood the need and rationale for the changes. NVTC staff refined the proposals in response to feedback received.

The proposed policy changes would apply to future calls for projects in both Commuter Choice corridors: I-66 Inside the Beltway, beginning with Round Five (FY 2023-2024) and I-395/95, beginning with Round Two (FY 2022-2023). PRTC will be asked to approve the changes in relation to the I-395/95 corridor program.

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 larger 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 (DRPT) 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.
- 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 propose 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 (2) of 45 projects funded to date have been below this amount.

Proposed Requirements for Transportation Demand Management Campaigns

NVTC staff propose 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 these 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 projects, 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 propose 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:

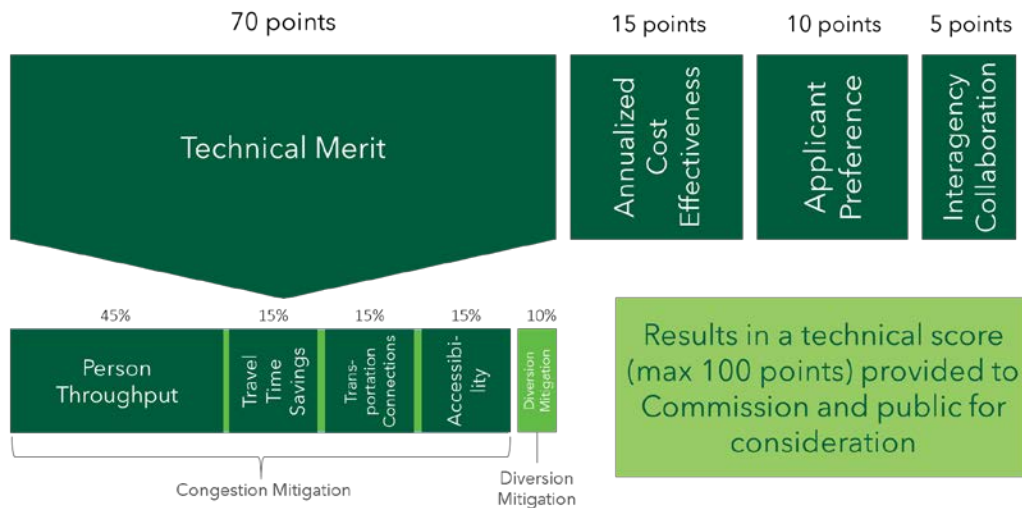
- A proposed bus service improvement for which a local jurisdiction is the applicant but WMATA, OmniRide or another jurisdiction's bus service would be the operator.
- A proposed modification to VDOT-owned roadway or other right-of-way.
- A proposed expansion of a rail station owned by WMATA or VRE.

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.

Round Two Technical Evaluation Process

Staff will ask the Commission to adopt the evaluation process used for the I-66 corridor program's 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 NVTC and PRTC 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 1 shows the process.

Figure 1: Proposed Technical Evaluation Process for the Commuter Choice on the I-395/95 Corridor Round Two (FY 2022-2023) Program

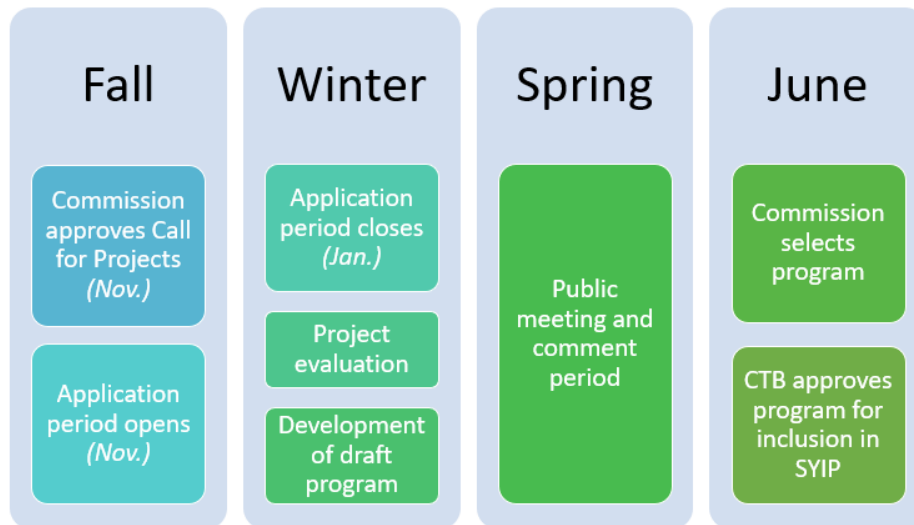


Opening the Call for Projects

At the November meeting the Commission will be asked to authorize a call for projects for the [Commuter Choice on the I-395/95 Corridor](#) Round Two (FY 2022-2023). Projects selected for funding will be included in the Commonwealth's FY 2022 to FY 2027 Six (6) 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 JCWG to consider. The I-395/95 JCWG recommends a program of projects to the two full Commissions (NVTC and PRTC), 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 staff are working with Commonwealth partners to understand any potential implications of the COVID-19 public health emergency on the amount of revenue that will be available for the Round Two (FY 2022-2023) program. Unlike in the I-66 corridor, revenue for the I-395/95 corridor program comes from an annual transit investment payment to the Commonwealth by Transurban, the concessionaire for the 95 and 395 Express Lanes, which operate at all times of day. Transurban has [indicated publicly](#) that they expect to make their next annual payment as planned this November. Full funding for the two-year program, per the MOA for the I-395/95 corridor program, would provide about \$30 million for new projects.

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 Four call for projects is shown below:



NVTC staff will begin applicant engagement around the Round Two call for projects with an introductory webinar for all eligible applicants about the program and call for projects at 3 p.m. on Tuesday, October 6. NVTC staff will thereafter request more 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.