

CVTA Finance Committee AGENDA 5/14/25; ITEM B.2.

Interest Earnings Candidate Projects – Regional Project Funding

Central Virginia Transportation Authority

BACKGROUND:

CVTA action in September 2024 pledged to set aside \$5.05 million from FY24 interest earnings for regional project development. The following recommendations were provided by staff in ongoing discussion with the Technical Advisory Committee.

1. Supplement regional project balance entry pool to support project cost increases due to inflation, material costs, and other factors
2. Supplement existing regional projects with an outstanding fund balance that also were candidates for Smart Scale Round 6 funding (sorted by Smart Scale scores).
 - a) CVTA 0060: US 60 / VA 13 Intersection Improvement – Remaining need \$5,190,338 – SS Rank 34
 - b) CVTA 0029: W Broad St Intersection Improvements at Parham Rd – Remaining need \$11,027,868 – SS Rank 39
 - c) CVTA 0059: Rt 1 and Ashcake Intersection – Remaining need \$6,158,329 – SS Rank 67
 - d) CVTA 0042: Route 360 Woodlake to Otterdale – Remaining need \$11,697,475 – SS Rank 94
 - e) All other projects that were both Regional CVTA awards and Smart Scale 6 candidates were \$17 million and above
3. Allocate funding to new regional projects (\$5 million or less) that applied for funding previously but were not final candidates. The following projects were in the Round 3 Regional Funding applicant pool, but the requests noted below will not deliver the project through construction.
 - a) E. Parham Road Improvements – \$2,500,000
 - b) Parham Road Improvements Holly Hill to Three Chopt Rd – \$2,500,000
 - c) I-95 and Parham Rd Interchange – \$4,062,500
 - d) Bellwood Connector - PE Only – \$3,000,000

TAC Recommendation:

On motion by Sharon Smidler, seconded by Sheri Adams, the members of the CVTA Technical Advisory Committee voted to recommend the Authority set aside \$5.05 million from FY24 interest earnings to the balance entry (voice vote; Amy Inman abstained). This vote took place at the regular TAC meeting on April 14, 2025.

Additional Information:

On Monday, May 5, 2025, the CVTA Executive Director received communication from VDOT stating that bids received for the Fall Line Design-Build #2 project have all come in higher than current allocations, with a deficit of \$10.2 million between current allocations and anticipated needs. With multiple funding sources

committed to this project, VDOT is seeking commitments for additional funding that can be advanced quickly for consideration by the CTB at its June meeting so that the project can be awarded.

The Fall Line Work Group and the CVTA TAC both received information updates at their May meetings regarding bid competitiveness, design-build project enhancements, and expected timelines for project execution when the delta is met.

Staff Recommendation:

CVTA has a vested interest in the success of this project. To date, the CVTA funds allocated to Fall Line Design-Build #2 are 37% of total funds committed, with the CTB committing 56.7% of funding and the remainder from smaller sources.

The CVTA Finance Committee is considering two matters:

1. A recommendation from TAC to place \$5.05 million in interest earnings into balance entry to support project cost increases.
2. A request from VDOT to financially support project cost increases for a regionally significant project that CVTA has committed to support.

Staff recommends that CVTA address the TAC recommendation and project funding need by committing \$4.0 million in interest earnings to the Fall Line Design-Build #2 project and the remaining \$1.05 million in interest earnings to the regional project balance entry.

Requested action:

Motion to recommend direction for allocation of \$5.05 million in interest earnings.