

CVTA TAC AGENDA 12/08/25; ITEM 8.

City of Richmond Off-Cycle Funding Request

Central Virginia Transportation Authority

BACKGROUND: CVTA has received a request from the City of Richmond for consideration of an off-cycle request for regional funds. The CVTA Regional Project Selection and Allocation Framework has an adopted process for consideration of off-cycle funding requests. The steps below are copied directly from the framework document.

Off-Cycle Requests

Off-cycle funding requests for new and existing projects will be considered on a case-by-case basis.

Step 1: Applicant submits request to CVTA Executive Director, including all required details for project evaluation

Step 2: TAC will validate the need for the off-cycle project request (i.e., why project cannot wait for formal application cycle);

Step 3: Staff checks to see if funds are available in year needed or if funds can be reprogrammed; TAC action required to move to Step 3;

Step 4: Staff reports on eligibility, scores, ranks and reviews against previous funding scenario; and

Step 5: TAC makes recommendation to Authority.

The TAC and Finance Committee both recommended at their October meetings for the Authority to formally direct TAC to consider the request through the adopted evaluation process. The Authority made that action official at their October 24 meeting.

TAC's responsibility is to work through Step 4 and consider a recommendation for action at the January 23, 2026 Authority meeting.

1. Validation of need for off-cycle request
 - a. The City of Richmond has clarified that the requested funding is needed for the FY 2026 - FY 2027 years to keep the design-build project on schedule. That timeline is well in advance of the project Round 4 allocation year of FY 2032, validating the need for the off-cycle request.
2. Confirmation of eligibility type
 - a. Based on the eligibility criteria contained in the regional framework, this project is not regionally-significant. The primary improvements included in this project are new local collector roads. To qualify for regional funding, those roads would need to be limited access or arterial classifications with future ADT of at least 20,000, or designated as

Corridors of Statewide Significance (CoSS) or on the Arterial Preservation Network (APN).

- b. This project would qualify for CVTA Regional funding as a wild card. Each locality gets one wild card project (falls outside of the stated criteria) per regional funding round.
3. Project scoring and ranking
 - a. As shown on the following page, this project ranks 14th among the Round 4 highway projects based on benefit.
 - b. That ranking includes the six bond candidate projects that could be scored and ranked.
4. Review of submitted TAC questions (City responses in **red**, CVTA staff comments in **green**)
 - a. What is the expected duration of the project?

Response: Construction began in March 2025. Construction is anticipated to be completed March 31, 2027.

- b. Estimate reflects a 7% contingency, was inflation factored into the estimation, and should there be CEI?

Response: No, inflation was not factored into the estimation. A separate CEI was not used as under council approved Development Agreement, CEI is the responsibility of the Developer and is part of the proposed cost. All of the transportation-related scope that qualifies for CVTA funding has been bid and is under contract. A 7% contingency has been reserved to address unforeseen underground conditions (utilities not shown on record plans, hidden obstructions, unexpected soil conditions, contaminated groundwater, contaminated soils), design omissions/coordination gaps, regulatory or utility driven changes, unforeseen material price changes, and unforeseen delays, among other items.

- c. Road "J" is mentioned as a new collector, and a cut through between AA Blvd, and Hermitage Rd. What will happen with Squirrel Way? Will it remain, and if so, what plans for the intersection Squirrel way and Road "J"

Response: The current Avenue of Champions, or Squirrel Way, is being demolished along with Sports Backers Stadium to make way for the new mixed-use neighborhood street grid which includes Road J on new alignment as Collector Road. New signalized intersections will be installed where "Road J" meets Arthur Ashe Boulevard and where "Road J" meets Hermitage Road.

- d. Is this proposed funding for all the roadways (Roads A, B, C and J) or just Road J? Will they all be public maintained roadways and not private? Road B appears to be a cul-de-sac and mews for apartments. How is that regional if it a cul-de-sac and/or private? There already is existing Robin Hood Road which links existing arterials between Arthur Ashe Blvd and Hermitage Road. There are no unit quantities or unit costs provided in the estimates. The cost estimates include items that are not roads but playground, park construction, contingencies, etc.

Response: The project scope includes construction of the new mixed-use neighborhood streets inclusive of "Road A" (~920 linear feet), "Road B" (~1,220 LF), "Road C" (~620 LF), and "Road J" (~1,370 LF). All of these roads, once constructed by the private developer, will be deeded to the city and publicly maintained.

Road B is a public road. City of Richmond zoning requirements dictate that a public right-of-way cannot terminate at a private parcel without a cul-de-sac as a means for emergency vehicles to turn around.

The cost estimates provided include the entire Diamond District Phase 1A Public Infrastructure scope, not just transportation-related expenses. The City of Richmond Department of Public Works have conservatively extracted the transportation items which are eligible for CVTA funding to make this funding request.

- e. What would happen if the funding is not provided by CVTA-Regional?

Response: The complete project scope cannot be delivered without supplemental funding given the identified budget gap. If funding is not provided by CVTA-Regional at this time, there will be a delay in the expected completion date of the Phase 1A Roadways & Infrastructure work while additional local funds are secured through the FY27 Capital Improvement Program (CIP). The project team will identify the minimum amount of scope required to safely open and provide access to CarMax Park while attempting to minimize the resulting delay in developing the neighborhood private parcels. Given current funding levels, the project team is expecting to provide the necessary public utilities and public access for CarMax Park to open on time. However, without supplemental funding, construction of the remainder of the public infrastructure and development of the private parcels will be delayed indefinitely.

- f. What fiscal year is the funding needed? This project is already under construction.

Response: This project is already under construction. Funds are needed in FY26.

- g. Would the City consider sacrificing CVTA – Regional funding for another City project in the fiscal year needed to fund this project? If so, which project(s)?

Response: The City would consider funding from another City Project only if other regional dollars (such as unexpended cash balance or interest funds) are not available. A specific project will be determined at the time of determination of funding source.

- h. Given that this off-cycle request would have otherwise been considered in Round 5 except for the urgency associated with the request, is the City agreeable to “give up” its wildcard and one if its allotted applications in Round 5? If not, please explain why the City should receive what would amount to an extra wildcard and application.

Response: Given that this off-cycle request, yes the City would be agreeable to “give-up” its wildcard in Rd 5, if it is determined that it is necessary to secure funding.

- i. When did the City determine that additional funds were needed? Please provide date or close approximation.

Response: The Economic Development Authority identified a budget gap in February 2025. While the project team implemented scope reductions and value engineering, it became clear in August 2025 that additional funding sources would be required.

- j. What was the unencumbered CVTA Local fund balance when it was determined that additional funds were needed?

Response: Zero all funds have been allocated through FY27 to local transportation divisions.

- k. What is the current unencumbered CVTA Local fund balance?

Response: Zero all funds have been allocated through FY27 to local transportation divisions.

- l. Has the City considered deferring activities planned in FY 27 utilizing CVTA Local funds, and if not, why?

Response: No, this would interrupt maintenance, as 90% of funds are maintenance and operations until backlog is filled.

CVTA Staff Responses for the following three questions:

- q. What project category does this qualify for under CVTA Regional Project Selection and Allocation Framework and why? It appears to only qualify as a “wild card” under Highway in that every applicant may submit one priority highway project outside the criteria listed.

This project would only qualify for CVTA Regional funding as a wildcard project. It does not appear to be an upgrade to an existing highway project and it does not meet the criteria for new alignments (20,000 ADT and expected functional classification as collector)

- r. Can this be included as a late submittal to the Round 4 applications instead of an off-cycle application?

The project was received after the application window for Round 4 projects. The City of Richmond submitted their quota of 8 project applications, although one has since been withdrawn due to full funding through the Commonwealth Transportation Board.

- s. How does this project score using the CVTA Regional Project Selection and Allocation Framework? How does the scoring compare to Round 3 and Round 4 regular cycle applications?

The scoring matrix for Round 4, including bond candidate projects and this off-cycle requests, has been distributed to TAC members on Friday, November 14. At this time, benefit scores can be reviewed in that matrix. Full scores with costs will be distributed as part of the meeting materials for the December 8 TAC meeting.

- 5. Potential funding sources to consider
 - a. Transfer funds off one of the City’s existing CVTA Regionally funded projects
 - b. Transfer CVTA Local funds allocated to other uses. City staff report local funds are used primarily for programmatic uses such as citywide paving, traffic engineering, multimodal planning, transportation engineering (CIP), etc.
 - c. Regional balance entry funds (adhering to the balance targets there is ~\$1.7 million in the needed years, ignoring the balance targets yields \$9.4 million)
 - d. Interest income (\$13,140,762)
 - e. CVTA Regional funds from another locality project