COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Nicholas Donohue
Chairperson

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Richmond, Virginia 23219

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Agenda item # 1

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

October 13, 2026

MOTION

Made By: Mr. Fowlkes, **Seconded By:** Mr. Good
Action: Motion Carried, Unanimously

Title: Policy and Guidelines for the Revenue Sharing Program (2026)

WHEREAS, § 33.2-357 of the *Code of Virginia* stipulates that the Commonwealth Transportation Board (Board) shall establish guidelines for the purpose of distributing and administering Revenue Sharing Program funds allocated by the Board; and

WHEREAS, on July 18, 2023, the Board adopted a revised policy and approved revised guidelines for the Revenue Sharing Program (Revenue Sharing Policy and Revenue Sharing Program Guidelines, respectively); and

WHEREAS, the Department has conducted an evaluation of the Revenue Sharing Policy and has made recommendations for revisions to the Revenue Sharing Program Policy and Guidelines; and

WHEREAS, it is the sense of the Board that the existing Revenue Sharing Program Policy and Guidelines should be revised to ensure more efficient and effective utilization of Program allocations with the intent to prioritize fully funding projects to the maximum extent possible and to ensure Board policy is consistent with and supports Program needs; and

WHEREAS, it is the sense of the Board that the Revenue Sharing Program Guidelines, having been duly established pursuant to § 33.2-357 of the *Code of Virginia*, should be administered consistent with the guidelines for other similar funding programs, with authority for future administrative updates or updates consistent with approved Board policy delegated to the Commissioner of Highways or his designees.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the following revised Revenue Sharing Policy to govern the use of revenue sharing funds pursuant to § 33.2-357 of the *Code of Virginia*:

1. The Revenue Sharing Program shall provide a matching allocation up to $5 million to any county, city or town for projects designated by the locality for improvement, construction, maintenance, or reconstruction of highway systems within such locality with up to $2.5 million for use by the county, city or town for maintenance projects for highway systems within such county, city or town. The maximum total matching allocation, including transfers, that the Board may approve per project shall not exceed $10 million.

2. Revenue Sharing funds shall be prioritized and allocated in accordance with the provisions of § 33.2-357 B of the *Code of Virginia* and the Revenue Sharing Program Guidelines, with the intent to prioritize and provide sufficient funding to fully fund eligible Revenue Sharing requests to the maximum extent possible, thereby minimizing the need for partially funded or pro-rated project awards.

3. Applications for Revenue Sharing allocations shall be accepted by the Department on a biennial cycle, with project allocation approval being made by the Board on even numbered years. Applications for program funding must be made by resolution of the governing body of the jurisdiction requesting the funds. A locality may request funds for a project located within its own jurisdiction or in an adjacent jurisdiction, with a supporting resolution from the governing body of the adjacent locality. Towns not maintaining their own streets are not eligible to receive Revenue Sharing Program funds directly; their requests must be included in the application of the county in which they are located. All requests must include a priority listing of projects.

4. Allocations no longer necessary for the completion of the project for which the funding has been applied (surplus Revenue Sharing allocations) shall be made available statewide to support projects in deficit, within the allocation limits established by the Board, and to supplement the biennial project selection and allocation process. Surplus Revenue Sharing allocations may be redistributed to existing Revenue Sharing projects in accordance with the most current Six-Year Improvement Program (SYIP) transfer process and in accordance with administrative procedures established in the Revenue Sharing Guidelines. Competing requests will be prioritized with deficit projects at award having highest priority, deficit projects at advertisement being next priority, deficit projects in or having completed construction as third priority, and then all other eligible requests. The Department shall establish review procedures to ensure appropriate actions are taken to reduce costs and ensure the project is appropriately advancing before recommending any such transfers.

5. A balance entry account shall be established to ensure appropriate reserves are available to support deficit Revenue Sharing projects advance to construction and complete construction. A minimum of $5M shall be retained in the account but may be adjusted

to account for the needs of the program and after notification to the Board.

6. The Revenue Sharing Program is intended to provide funding for immediately needed improvements or to supplement funding for existing projects. Larger new projects may also be considered; however, if the estimated project cost exceeds the Revenue Sharing Program funding request, the locality must identify other funding sources and commit locality funding amounts as necessary to complete the project. Projects receiving Revenue Sharing funds shall be initiated and at least a portion shall be expended within one year of the allocation. For any project that has not been initiated within one year, the Board has the discretion to defer consideration of future allocations until the project moves forward. If a project having funds allocated under this program has not been initiated within two subsequent fiscal years of allocation, the funds may be reallocated at the discretion of the Board. Locally administered projects may be deallocated if a project administration agreement has not been executed by the locality within six months after transmittal to the locality.

BE IT FURTHER RESOLVED that the Board supports funding the Revenue Sharing Program at a minimum of $100 million annually and supports funding in greater amounts to the extent permissible under subsection D of § 33.2-357, which provides that, subject to appropriation, the total Commonwealth funds allocated by the Board for the Revenue Sharing Program shall not exceed the greater of $100 million, or seven percent of funds available for distribution pursuant to subsection D of § 33.2-358 prior to the distribution of funds for Revenue Sharing.

BE IT FURTHER RESOLVED that the Board approves the Revenue Sharing Program Guidelines as revised and attached hereto as Attachment A.

BE IT FURTHER RESOLVED that the Board delegates to the Commissioner of Highways the authority to approve future administrative updates to the Revenue Sharing Program Guidelines and updates to conform the Guidelines to the approved Revenue Sharing Policy.

BE IT FURTHER RESOLVED that the Board hereby rescinds its prior resolution, titled "Policy and Guidelines for the Revenue Sharing Program (2023)," provided however, that nothing herein is intended to invalidate any actions previously taken pursuant to that resolution, including pursuant to the policies or guidelines thereby adopted.

####

CTB Decision Brief

Policy and Guidelines for the Revenue Sharing Program (2026)

Issue: Pursuant to §33.2-357 of the *Code of Virginia* (VA Code), the Commonwealth Transportation Board (CTB) may make an equivalent matching allocation from revenues made available by the General Assembly ("Revenue Sharing allocation") for improvement, construction, reconstruction, or maintenance of systems of state highways to any locality for designations by the governing body under certain conditions. This program is commonly known as the Revenue Sharing Program and is managed though the Local Assistance Division within VDOT. The VA Code establishes certain parameters regarding allocations, maximum annual locality requests, and the priorities for which allocations must be distributed. The Board, however, establishes actual allocations and a Revenue Sharing Policy regarding how funding may be distributed and approves VDOT's Revenue Sharing Program Guidelines. VDOT has evaluated the current Revenue Sharing Policy and requests that the CTB consider changes to the Revenue Sharing Policy and the Revenue Sharing Program Guidelines.

Facts: Section 33.2-357 of the *Code of Virginia* requires the Board to establish Revenue Sharing program guidelines. The proposed policy revision seeks to implement funding updates, implement project delivery expectations, and delegate future Revenue Sharing Guidelines updates to the Commissioner of Highways.

VDOT has conducted an evaluation of the Revenue Sharing program and determined that updates are needed to ensure that Revenue Sharing applications are fully funded, to the maximum extent possible, and that clear project delivery expectations are needed to ensure projects progress on schedule. These changes do not modify the type of projects which may be eligible for Revenue Sharing funding.

Recommendation: VDOT recommends that the revised Revenue Sharing Policy and accompanying Revenue Sharing Program Guidelines be approved by the CTB and become effective immediately after CTB approval. VDOT also recommends that the CTB delegate authority to the Commissioner of Highways to approve future administrative updates to the Revenue Sharing Program Guidelines and updates to conform the Guidelines to the approved Revenue Sharing Policy.

Action Required by CTB: A majority vote of the CTB is required to establish policy and guidelines for the purpose of distributing and administering revenue sharing program funds allocation by the CTB.

Result, if Approved: The revised Revenue Sharing Policy and Revenue Sharing Program Guidelines will become effective immediately after CTB approval. The Commissioner of Highways will approve future administrative updates to the Revenue Sharing Program Guidelines and updates to conform the Guidelines to the approved Revenue Sharing Policy.

Options: Approve, Deny, or Defer.

Public Comments/Reactions: VDOT conducted an online survey to gauge local government support for the recommended changes. The survey reflected general support for the proposed revisions.





Revenue Sharing

Local Assistance Division



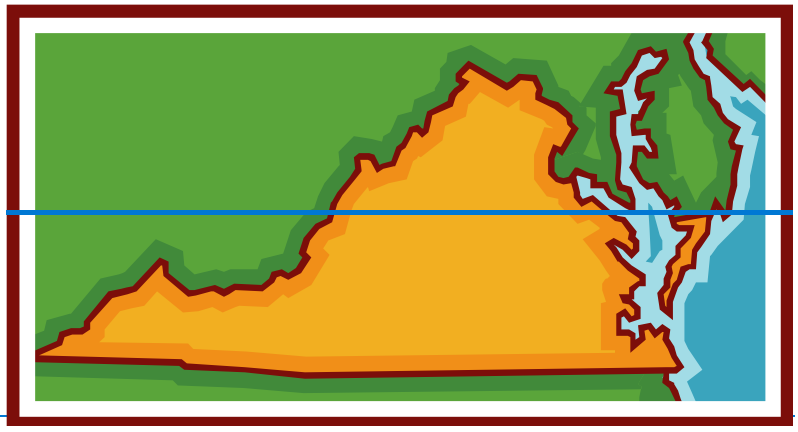






Revenue Sharing Program Guidelines

2023



1.1.1.1

For further information, contact

Local VDOT Manager
or

Local Assistance Division
Virginia Department of Transportation
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Richmond, Virginia 23219
(804)786-2746

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VDOT GOVERNANCE DOCUMENT

VIRGINIA DEPARTMENT OF TRANSPORTATION

LOCAL ASSISTANCE DIVISION

REVENUE SHARING PROGRAM GUIDELINES

This document provides a comprehensive summary of the Revenue Sharing Program as established by the *Code of Virginia* and as governed by the policies of the Commonwealth Transportation Board (CTB). It is intended to serve as a reference for local jurisdictions and VDOT staff in preparation and disposition of applications for program funding guidance.

This document defines eligible projects, summarizes funding limitations, and describes the roles of the parties involved in the application and approval process. The appendices in this publication include the enabling legislation, the Commonwealth Transportation Board's policy, associated forms, and procedural information for the convenience of the user.

The Locally Administered Projects Manual (LAP) provides guidance on project administration for all locally administered projects, is the primary source for guidance regarding project development, and should be the primary reference for any locality administering revenue sharing funded projects. The provisions applicable to state funded projects are noted throughout the LAP Manual. Projects funded solely with Revenue Sharing funds do have specific streamlining opportunities as highlighted in Chapter 5 of the LAP Manual.

These guidelines reflect policy approved by the Commonwealth Transportation Board (CTB) and are modified only by an affirmative vote from the CTB. Occasionally modifications to these Guidelines may be necessary to adjust for changes in Departmental procedures. Where those modifications fully comport with Virginia Code and CTB Policy, they may be made administratively without further approval of the CTB. The CTB will be advised of any administrative updates.

All previous instructions regarding administrative procedures for revenue sharing projects are hereby superseded.

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REVENUE SHARING PROGRAM GUIDELINES

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~~2~~1 DEFINITIONS

The ~~following~~ words and terms, when used in this document, shall have the following meanings, unless the context clearly indicates otherwise.

Deficit refers to an *existing* negative balance on a project in VDOT's Six-Year Improvement Program (SYIP) where the current estimate exceeds ~~allocations to~~ the project's allocations. It does not refer to the replacement of local funds committed by the locality after a project has been awarded allocations.

Eligible Project means work including construction, reconstruction, improvement, or maintenance and eligible street additions for which Revenue Sharing Program funds are available. Work must be on roadways ~~that are~~ currently maintained by VDOT or on roadways ~~that are~~ currently maintained by a locality and for which the locality is receiving maintenance payments from VDOT or roads meeting new road or rural addition qualification. For funding purposes, a single construction project is defined as a project with ~~termini that are both~~ logical and independent termini. Projects cannot be segmented ~~in order~~ to qualify for additional Revenue Sharing allocations. Multiple~~,~~ similar scope project activities performed across a locality, commonly referred to as City/Town/County-wide projects, are eligible projects, subject to the limitations outlined in Section ~~5~~5~~.~~, Application for Funds.

- **Construction Projects** are ~~those~~ projects which~~that~~ change or add to the characteristics of a road, facility or structure to provide a new or significantly modified transportation facility.
- **Reconstruction Projects** are ~~those~~ projects which~~that~~ completely replace an existing facility or significantly improve the functionality of an existing facility. (Examples: replacement through the sub-base of a pavement structure, complete replacement of bridge, or widening a road or bridge).
- **Improvement Projects** are ~~those~~ projects which~~that~~ facilitate or control traffic or pedestrian flow, such as intersection improvements, turn lanes, channelization of traffic, traffic signalization and installation of new sidewalks, upgrading sidewalks to meet ADA standards, trails, curb & gutter, any new installation that will enhance traffic flow or safety, or projects that alleviate roadway drainage issues (replacement or repair of existing drainage assets is considered maintenance).
- **Maintenance Projects** are ~~those~~ projects which~~that~~ involve work in preserving or restoring the roadway facility, sidewalk, or structure to its original condition as nearly as possible. This includes the removal and replacement of a pavement course or a sidewalk.

Local VDOT Manager is typically the VDOT District employee responsible for providing oversight and assistance to the locality for their Revenue Sharing project ~~the administration of the Revenue Sharing Program for that locality~~. ~~Unless otherwise indicated, the local VDOT Manager for counties is usually the Residency Administrator, and for urban localities, it is the urban liaison in the VDOT District office. The District Administrator will designate the employee responsible if different from above.~~

~~**Locality**~~ **Capital Improvement Plans or Capital Improvement Program (CIP)** means any plan ~~utilized by the locality that identifies, prioritizes or allocates funding for specific eligible projects in that locality~~developed and adopted by a locality in accordance with § 15.2-2239. ~~For locality-wide projects, specific~~Specific project locations must be identified in the CIP~~apital Plan~~ to be eligible for Revenue Sharing ~~Projects~~funding.

Matching Allocations are ~~means~~ funds allocated by the Commonwealth Transportation Board (CTB) which match a locality's contribution, on a dollar-for-dollar basis, ~~provided by the Commonwealth~~for ~~which are allocated to~~ eligible items of work~~k in participating localities to supplement, on a dollar-for-dollar basis, to match the locality's contribution for eligible projects, within the limits established by the CTB.~~ Funding provided through other VDOT funding programs cannot be used to match Revenue Sharing Program funds. ~~If the~~ a ~~locality uses other non-VDOT grant funds as a match, the locality must determine if the work being performed is eligible under those non-VDOT programs and the locality is required to meet the requirements of those programs.~~Proffers, including any developer or third-party contributions conditioned upon or tied to Revenue Sharing project approval, are not eligible sources of match or funding and are explicitly prohibited under this program.

Maintenance Needs Analysis means a systematic approach of identifying maintenance needs based on an asset management approach. Condition assessment reviews are conducted on pavements and bridges maintained by VDOT, on a regular basis. These reviews are based on established guidelines whichto determine when those assets are deficient and potentially in need of some corrective action.

Maintenance Performance Target means a desired level of performance for a set of assets (such as pavements and bridges) within the infrastructure network, as established and defined by VDOT. The target is usually expressed as a portion or percentage of the infrastructure network which meets or exceeds a threshold or benchmark rating. Only assets falling below the benchmark rating (target) for bridges and pavements will be considered eligible for priority maintenance projects.

Project Completion, for the purpose of these guidelines, is defined as the date of VDOT's acceptance of the project and is generally designated by the C-5 form signed by the locality and VDOT. The C-5 is the official document used VDOT uses to certify the completion of a locally administered projectproject is complete.

Project Initiation, or Initiated, means that at least one meaningful reimbursement request has been submitted by a locality and processed by the VDOT, and that all consultant procurement steps have been completed.

Revenue Sharing Program Fund means the designation given to the fund used to finance the specially funded program. Projects are proposed by the local government in coordination with the Department of Transportation and must be approved by the Commonwealth Transportation Board.

Rural Addition means any subdivision street used as such by the date established under § 33.2-335 and eligible for addition into the secondary system by resolution of the County Board of Supervisors.

Six-Year Improvement Plan Program (SYIP) is a document that outlines planned spending for transportation projects proposed for construction development or study for the next six years. The SYIP is updated annually and is the means by which the CTB meets its statutory obligation under the Code of Virginia to allocate funds to interstate, primary, secondary and urban highway systems, public transit, ports and airports and other programs for the immediate fiscal year.means either the Six-Year Improvement Program for Interstate, Primary, and Urban Systems, developed by VDOT and the Commonwealth Transportation BoardCTB; or the Secondary Six-Year Plan, the official listing of improvements to be constructed on the secondary system, which is developed jointly by the Virginia Department of Transportation (VDOT) and the county governments (§ 33.2-332).

Statewide Transportation Plan means the comprehensive review of statewide transportation needs as adopted and updated by the Commonwealth Transportation BoardCTB in accordance with § 33.2-353, commonly known as VTRANS.

~~3~~2 PURPOSE

The ~~"~~Revenue Sharing Program~~"~~ provides ~~additional~~ funding for ~~use by~~ a county, city, or town to construct, reconstruct, improve or maintain the highway systems within such county, city, or town and for eligible rural additions in certain counties of the Commonwealth. Locality funds are matched, dollar for dollar, with state funds~~.~~, Swith statutory and ~~Commonwealth Transportation Board~~CTB Policy requirements limit~~ations on~~ the amount of state funds authorized per locality and per project.

The program is administered by the ~~Department of Transportation~~VDOT, in cooperation with ~~the~~ participating localities, under the authority of § 33.2-357 ~~(Appendix A)~~ and the ~~Commonwealth Transportation Board~~CTB's Revenue Sharing Program Policy ~~(Appendix B)~~.

~~An annual allocation of funds for this program is designated by the~~ The ~~Commonwealth Transportation Board~~CTB designates an annual allocation of funds for this program. Funds are approved by the CTB in even numbered fiscal years for a two-year cycle and are typically programmed in fiscal years three and four of the ~~Six-Year Improvement Program~~SYIP. However, where a~~the~~ project's schedule demonstrates a need for an earlier programming of allocations, VDOT~~the Department~~ will attempt to adjust the programmed years to accommodate the schedule.

43 ELIGIBLE WORK

4.13.1 OVERVIEW

The Revenue Sharing Program may be used to finance eligible projectswork on highway systems within a locality, as identified in Section 1., and may include sidewalks, trails, and other facilities that accommodate pedestrian and/or bicycle access along the highway network. The Revenue Sharing Program's intention is to intended to provide funding for new eligible projects improvements or to supplement funding for existing projects.. Additional information about time limits for spending funds is addressed under Timely Implementation of Projects (Section VII.C.).

Below are the is a list of types of work that are considered eligible for the Revenue Sharing Program financing. All eligible work is reviewed based on the priority criteria identified in Section 4,under Funding LimitationsFunding Limitations. (Section IV.).

4.1.13.1.1 Supplemental funding for projects listed in the adopted SYIP Adopted Six-Year Program

When supplemental funding isadditional allocations are determined to be necessaryneeded to fully fundcompletely finance a project listed in the adopted Six-Year Improvement Program (SYIP), athe locality may request additional funding through the normal application processthat the anticipated deficit be financed by the Revenue Sharing Program through the normal application process.

4.1.23.1.2 Construction, Reconstruction or Improvement projects not included in the adopted SYIPix-Year Program

When the designated local VDOT Manager concurs that the proposed work may be eligible for program funding, Localitiesthe locality may request one half of the funds, subject to CTB Policy limitations,funding for eligible program work through the normal application process to construct a project not currently in the SYIPix-Year Plan. However, in such cases the locality funds, together with the state matching funds, must finance the entire estimated cost of the project. If funds are approved, the project will subsequently be adopted by the CTB in the SYIPix Year Program.

4.1.33.1.3 Improvements necessary for the Acceptance of Specific Streets Otherwise Eligible for Acceptance into the Secondary System for Maintenance (Rural additions)

Revenue Sharing Program funds may be used to fund the improvements (widening, surface treating, etc.) necessary for the acceptance of to accept specific streets otherwise eligible under § 33.2-335, *Code of Virginia*. However, tThis section does not authorize the use of Revenue Sharing funds to improve roads in cities and towns so as to render them eligible as additions to the urban system.

4.1.43.1.4 Maintenance projects consistent with the Department's VDOT's operating policies

Eligible types of maintenance work include, but are not limited to, plant mix overlays, bridge or culvert rehabilitation, guardrail replacement, sidewalk repairs, and curb & gutter repair. In order Tto appropriately evaluate a priority maintenance requestproject request for a priority maintenance project with pavement or structure with a ratings below the DepartmentVDOT's maintenance performance targets, the locality is responsible for providing the appropriate pavement or structure deficiency documentation. to confirm the pavement or structure deficiency with its application submission.

4.1.53.1.5 New hard surfacing (Paving)

The Revenue Sharing Program funds may be used for the first-time paving of a previously unpaved roadway, usually composed of a multiple course asphalt surface treatment, may be funded by the Revenue Sharing Program. Only roads in

the state secondary system are eligible to use Revenue Sharing Program funds for new hard surfacing. If a project is funded solely with Rrevenue Ssharing funding, there is no minimum vehicle per day requirement.

4.1.63.1.6 New roadway

Revenue Sharing Program funds may be used to establish a new facility to be part of the system of state highway systems or part of the road system in the a locality that is eligible to receive maintenance payments from VDOT pursuant to § 33.2-319. In order for For a new roadway to be eligible for Revenue Sharing Program funding, it must be a part of a locally adopted plan, such as the locality's CIPomprehensive Plan, and be , and must be expected to divert sufficient traffic from existing public roads so that those roads will not need to be improved in the foreseeable future. Projects may also need to be included in the regional Constrained Long-Range Plan in air quality non-attainment areas. Qualifying projects should benefit the overall transportation network by providingwith a connection between two existing major public roads, based on current transportation needs. Projects that exclusively serve private developments or commercial establishments are not eligible.

~~5~~4 FUNDING LIMITATIONS

The total amount allocated each fiscal year by the ~~Commonwealth Transportation Board~~CTB for the Revenue Sharing Program ~~cannot~~ shall not exceed the greater of $100 million or seven percent of funds available for distribution pursuant to subsection ~~D~~ B of § 33.2-358 ~~of the *Code of Virginia*~~.

A locality may apply for a maximum of $5 million in matching allocations per fiscal year ($10 million per biennial cycle) and the maximum lifetime matching allocation per project is limited to $10 million in matching allocations. ~~-~~ This limitation includes any allocations transferred to a~~the~~ project. ~~-~~Up to $2.5 million per fiscal year of these requested funds may be specified for maintenance projects.

Revenue Sharing application funding will be allocated in accordance with the prioritization process stated in § 33.2-357. Submitted applications shall be fully funded to the current estimate in order to be added to the Six Year Improvement Program (SYIP). All estimates will be reviewed and validated by VDOT staff during the application process. If there are disagreements pertaining to the proposed cost estimates between an applicant and VDOT, the relevant VDOT District Engineer will provide a recommendation to the Local Assistance Division Director for final approval of any proposed project costs to be included in the application. ~~In accordance with Virginia Code requirements, priority will be given first to construction projects that have previously received Revenue Sharing funding. After funding those requests, priority will be given to projects that meet a transportation need identified in the Statewide Transportation Plan (VTRANS) or to projects that can accelerate advertisement of a project in a locality's capital improvement plan. After these projects have been funded, projects that address pavement resurfacing and bridge rehabilitation where the maintenance analysis determines the infrastructure does not meet the Department's maintenance performance target will be funded. The condition ratings that define the Department's maintenance performance targets are described in detail in Appendix C of these Guidelines. In order to appropriately evaluate a request for a maintenance project with pavement or a structure below the Department's maintenance performance targets, the locality is responsible for providing the appropriate documentation to confirm the deficiency . This documentation is to be provided by the application submittal deadline.~~

Construction and maintenance projects will be evaluated and prioritized for funding as follows:

Priority 1 – Construction Projects that have previously received Revenue Sharing funding as part of the Program's application process

- Locality cumulative requests up to a total of $1 million will be evaluated ~~first~~ and funded first.
- Locality cumulative requests over $1 million and up to $5 million per fiscal year ($10 million per biennial cycle) will be evaluated ~~next~~ and funded next.

Priority 2 – Construction Projects that meet a transportation need identified in the Statewide Transportation Plan (VTRANS) or when funding will accelerate ~~advertisement of~~ a named project in a locality's CIP~~capital improvement plan~~

- Locality cumulative requests up to a total of $1 million will be evaluated ~~first~~ and funded first.
- Locality cumulative requests partially funded under the previous step will be evaluated and fully funded next.
- Locality cumulative requests for projects in the existing SYIP will be evaluated and fully funded next.
- Locality cumulative requests for projects recommended as the preferred alternative in a local/regional study or technical memorandum will be evaluated and fully funded next.
- All remaining locality cumulative requests will be evaluated and fully funded next.
- ~~Locality cumulative requests over $1 million and up to $5 million per fiscal year ($10 million per biennial cycle) will be evaluated next and funded next~~

Priority 3 – Projects that address deficient pavement resurfacing and bridge rehabilitation (as described in Appendix A~~D~~).

- Locality cumulative requests up to $1 million will be evaluated ~~first~~ and funded first.
- Locality cumulative requests over $1 million up to $2.5 million per fiscal year ($5 million per biennial cycle) will be evaluated ~~next~~ and funded next.
  - ~~In order t~~To appropriately evaluate a request for a maintenance project with pavement or a structure below the ~~Department~~VDOT's maintenance performance targets, the locality is responsible for providing the appropriate documentation to confirm the deficiency ~~. This documentation is to be provided by the~~ application submittal deadline.

~~o~~ **Note: Projects that address deficient pavement resurfacing and bridge rehabilitation will be considered as Priority 3 even if included in a locality's CIP.**

Priority 4 – All other eligible projects (projects not meeting any of the priority criteria described above**)**

- Locality cumulative requests up to $1 million will be evaluated ~~first~~ and funded first.
- Locality cumulative requests over $1 million will be evaluated and funded next.

Note~~s~~: If funds are depleted prior to completely funding all projects within a priority, any remaining funds may be pro-rated within that priority or allocated as otherwise directed by the ~~Commonwealth Transportation Board~~CTB.

Note: The Revenue Sharing application process prioritizes fully funding applications. Local funds committed in ~~ing submitted with~~ a full application or through an increased commitment of local funds upon locality acceptance of a pro-rated award amount cannot be replaced with Revenue Sharing funds through a future application or transfer process.

~~6~~5 APPLICATION FOR FUNDS

Applications for Revenue Sharing funding are accepted ~~on a~~ biennially, ~~basis~~ in odd numbered years, through VDOT's SMART Portal, ~~as described in Appendix D. Preliminary project information must be provided with a pre-application which is also submitted through VDOT's SMART Portal.~~ A pre-application for each ~~anticipated~~ project request is required to ensure coordination between the locality and local VDOT ~~office~~ District staff regarding the project's concept, eligibility, and preliminary funding priority determination.

After ~~determining that it they will~~a locality determines that they would like to participate in the program, they ~~locality~~ should coordinate ~~closely~~ with their local VDOT District staff~~Manager~~ to review potential projects. L~~The l~~ocal VDOT District staff~~Manager~~ will provide support with reviewing project~~regarding~~ eligibility, cost estimates, and project schedules.~~ing. If the locality is requesting VDOT administration of the project, the locality must coordinate with the local VDOT Manager to obtain the Department's concurrence with the project's scope, schedule, and estimate.~~

When submitting multiple project applications, localities will be required to prioritize the applications. Applications lacking the required documents or left in pending status in SMART Portal will not be eligible for funding.

A ~~resolution from the governing body, which provides the locality's commitment to fully fund the project(s), and provides signatory authority to an authorized local officer, is also necessary to apply for program funding and must be submitted with the full application by the application deadline. An example of an acceptable resolution can be found in Appendix E.~~local resolution of support from the governing body is required with the full application. The resolution's content is required to follow the LAP Manual. A resolution template is provided on the Revenue Sharing website and applicants are strongly recommended to utilize this template at the time of application to prevent project delays.

A locality may request funds for a project located within its ~~own~~ jurisdiction or in an adjacent jurisdiction, with concurrence from the governing body of the other locality. Regardless of where the project may be located, the funding limitations for each locality outlined in ~~the~~ Section 4~~previous section~~ still apply. Towns not maintaining their own streets may not directly apply for Revenue Sharing Program funds but may include their requests as part of the package submitted by the county where ~~in which~~ they are located. These requests are ~~and are~~ considered a part of that county's overall request. After an affirmative vote, the ~~Commonwealth Transportation Board~~CTB allocates project funding through an approved resolution.

~~Each application must clearly identify the proposed project scope, the project termini, and the specific improvements to be made. To assist those evaluating the project, the application must include a detailed location map / sketch, a detailed cost estimate, and a narrative that clearly explains the proposed improvements and how they will enhance the existing transportation network.~~ Requested funds must cover the entire cost of the project or the application must indicate the source of any additional funds necessary to fully fund the project.

Indicating "future revenue sharing funds" is not acceptable~~, even if the intent is to reapply in future application cycles for additional Revenue Sharing allocations~~. After a project has been awarded for construction, any local funds committed as part of the award are not eligible to be replaced through the application process. The Revenue Sharing Program is approved ~~on a biennial basis~~ biennially, and funding for specific projects in a future ~~years~~year's application cycle~~s~~ is ~~are~~ not guaranteed.

Applications for multiple, similar-scope projects (such as traffic calming, ADA ramps, sidewalks, drainage improvements), generally referred to City/Town/County-wide projects, may be submitted. However, these applications must identify each project's ~~the~~ location (route name/number), limits, and specific scope ~~for each project~~. The location pearl in the application will allow for multiple entries and all locations must be provided~~there in order to~~to be eligible for reimbursement ~~through the project~~. Additional projects or funding cannot be added to the original request in future application cycles~~,~~; these types of projects are limited to the original funding received.

~~**Note: The Locality must commit to their matching allocations at the time their application for funding is submitted. A resolution from the Locality which includes their commitment to fully fund the project is also required to be submitted with the final application.**~~

Note: If ~~a~~the locality requests VDOT to administer the~~ir~~ project, they must coordinate with their local VDOT District staff ~~this~~ prior to submitting ~~an~~their application ~~for funding~~. ~~Project scopes, schedules, and estimates must be coordinated with the local VDOT Manager during the application process~~approved by VDOT prior to final application submission.

~~7~~6 APPROVAL AND IMPLEMENTATION

~~7.1~~6.1 APPROVAL

During the ~~on-line~~ application submittal process, the designated local VDOT District staff~~Manager~~ will review the ~~on-line~~ application and all attachments~~from each locality~~. Once the ~~localities' requests are found to be eligible, project scopes are finalized and estimates are validated,~~application review process has been completed, and applications have been ~~found~~deemed eligible, the Local Assistance Division (LAD) will develop the recommended statewide Program allocation for the CTB's review and approval~~submission to the Commonwealth Transportation Board for approval~~. ~~LAD~~The ~~Local Assistance Division will review and coordinate with other~~ VDOT ~~divisions as necessary and appropriate.~~

The ~~Commonwealth Transportation Board~~CTB approves the statewide Revenue Sharing Program, including allocations to specific projects in consideration of each locality's request. ~~The Commissioner of Highways, or his designee, may approve transactions, such as locality/state agreements, for Revenue Sharing Program projects prior to Commonwealth Transportation Board approval; however, no project work can be conducted for which reimbursement from the requested Revenue Sharing Program funds is expected prior to approval of Revenue Sharing Program allocations by the CTB.~~In accordance with the requirements of the Virginia Code and the LAP Manual, a project ~~administration~~ agreement ~~(PAA)~~ between VDOT and the locality must be executed before ~~a locality or VDOT begins~~ work begins on a Revenue Sharing project.~~will be necessary.~~ The~~at~~ ~~PAA~~agreement~~agreement~~ establishes general roles and responsibilities ~~of both the Department~~for both VDOT and the locality. The locality must execute the ~~project administration agreement~~PAAagreement within ~~six months~~~~ninety (90) days~~six (6) months of receipt ~~of the agreement by the Department~~from VDOT. Failure to execute the agreement within this time frame ~~can~~may result in deallocation of project funding. Costs incurred prior to the CTB's approval of Revenue Sharing program allocations are not eligible for reimbursement.

~~In addition to CTB approval, an agreement must be executed by both the locality and VDOT prior to incurring any cost to be financed from Revenue Sharing Program funds. If the project is funded entirely with Revenue Sharing funds and local funds, a streamlined project development process is available using the State-Aid certification as outlined in the LAP Manual. Should the locality opt to utilize this streamlined process for state-aid (only) projects, the locality will submit the completed state certification form in accordance with LAP Manual requirements.~~

~~7.2~~6.2 IMPLEMENTATION

Upon ~~Commonwealth Transportation Board~~CTB approval of the statewide program, development of ~~the~~ individual projects can begin once funding is available in the SYIPs. ~~The state matching funds for the approved projects are reserved and allocated, accordingly, to each of the approved projects.~~ Projects may be developed and constructed by VDOT or by the locality under an agreement with ~~the Department~~VDOT.

~~7.2.1~~6.2.1 VDOT ~~-~~administered work

Project agreements for VDOT-administered projects will ~~After approval of the annual statewide Program allocation, the Local Assistance Division, working with the designated local VDOT Manager, will~~VDOT will prepare the appropriate ~~agreement for execution by both the locality and VDOT prior to incurring any costs to be financed from Revenue Sharing Program funds. VDOT administered PAAs will~~ include a payment schedule~~, which~~ that outlines when VDOT will invoice a

locality for ~~their~~its share of the project cost. ~~Upon execution of the agreement, VDOT will provide an invoice to the locality for its share of the estimated cost of work to be performed. The L~~local matching funds required for the preliminary engineering (PE) phase must be collected prior to ~~the beginning of~~ work beginning.

~~For projects exceeding $500,000 in total estimated cost, VDOT and the locality may enter into an agreement so that the local match may be provided by project phase (i.e., preliminary engineering, right of way, or construction). VDOT may agree to a payment schedule for the Construction phase when the construction estimate exceeds $5 million. The locality must request such a payment schedule prior to advertisement and any agreement must be modified to address the revised payment schedule.~~

After the project is completed, the local VDOT Manager will review the actual costs incurred to determine if there is a surplus or deficit. If a deficit exists, VDOT will provide a final ~~project~~ invoice to~~for~~ the locality for their~~'s~~ share of the remaining project costs. Failure to reimburse ~~the Department~~VDOT ~~for the locality's share of the project cost~~ can result in the denial of future allocation requests. If the locality's share of the actual cost is less than the amount received from the locality, the difference will be refunded to the locality.

~~If a local government cancels a project begun that was initiated under the Revenue Sharing Program during the Preliminary Engineering (PE) or Right of Way (RW) phases but prior to the Construction (CN) phase, it may do so byresolution of the local governing body. The Department retains the sole option to require the locality to reimburse VDOT for reimbursement by the locality of all state matching funds spent from the time the project was begun until it is canceled. Reimbursement will be required for any project cancelled after the construction plans have been approved unless an exception is granted by the Commissioner.~~

~~7.2.2~~6.2.2 Locally administered work

VDOT has published the Locally Administered Projects (LAP) Manual which~~that~~ provides information~~guidance~~ for locally administered projects and, ~~which~~ includes provisions for Revenue Sharing and other state ~~-~~funded projects. ~~-~~The LAP Manual ~~and~~ is the primary reference for locally administered project development and delivery requirements ~~of locality administered revenue sharing funded projects~~.

~~In accordance with the requirements of the Virginia Code and the LAP Manual, a project administration agreement will be necessary. That agreement establishes general roles and responsibilities of both the Department and the locality. The locality must execute the project administration agreement within six months of receipt of the agreement by the Department. Failure to execute the agreement within this time frame can result in deallocation of project funding.~~

~~In addition to CTB approval, an agreement must be executed by both the locality and VDOT prior to incurring any cost to be financed from Revenue Sharing Program funds. If the project is funded entirely with Revenue Sharing funds and local funds, a streamlined project development process is available using the State-Aid certification as outlined in the LAP Manual. Should the locality opt to utilize this streamlined process for state-aid (only) projects, the locality will submit the completed state certification form in accordance with LAP Manual requirements.~~

~~If a local government wishes to cancel a locally administered project begun under the Revenue Sharing Program before it is completed, it may do so by resolution of the local governing body. The Department retains the sole option to require reimbursement by the locality of all state matching funds spent from the time the project was begun until it is canceled. Reimbursement for any state funds expended will be required for any project cancelled after construction plans are complete and advertisement has been authorized, unless an exception is provided. Failure to reimburse the Department for costs incurred of a cancelled project may result in denial of future Revenue Sharing program allocations.~~

~~7.2.3~~6.2.3 Timely implementation of projects

It's expected that a~~A~~ll ~~requests for~~ Revenue Sharing funding requests are~~are expected to be~~ for viable projects with work anticipated to begin in the fiscal year funding is programmed. Any project having funds allocated under this program shall be **initiated** within one year of programmed allocations. For any project which~~that~~ has not been initiated or has not made

substantive progress within two years, the Revenue Sharing funds may be reallocated in accordance with the most recent CTB Allocation Transfer Process.

For Revenue Sharing projects to be considered "Initiated~~",~~," they must have met the following requirements, as applicable:

- At least one meaningful reimbursement request has been submitted to, and processed by VDOT
- All consultant procurement activities have been completed, and a contract or task order has been executed

All Revenue Sharing projects are expected to adhere to VDOT's established Project Development timeframe benchmarks. Projects not in compliance will be addressed by Local Assistance Division staff through a pre-determined Revenue Sharing program mitigation plan.

Revenue Sharing projects are subject to ~~LAD~~ocal Assistance Division has developed a deallocation process to ensure surplus project allocations can be efficiently reallocated to projects in deficit and~~or~~ to support the biennial application process. The following ~~bullets outlines the~~ conditions ~~which~~ may warrant deallocation:

- Completed or cancelled projects.
- Project~~s~~ which ha~~ves~~ not been initiated within two (2) fiscal years of ~~its~~ allocation, after ~~appropriate~~ notification to the locality.
- Project~~s~~ which are~~is~~ on-going, where, for 24 months, the project has not made substantive progress or is significantly behind its approved project schedule, no portion of allocated ~~revenue~~ Revenue ~~sharing~~ Sharing funds has been expended, or project has been inactive, after ~~appropriate~~ notification to the locality.
- Projects where allocations significantly exceed the project estimate (typically more than 15%), after ~~adequate~~ notice to the locality.

In cases where the project is complete but has a pending condemnation or claim which may be eligible for reimbursement, VDOT may retain adequate funds on the project to address such future expenditures, at its discretion, prior to removing ~~and of~~ excess funds ~~will be moved removed~~ from the project~~'s balance~~.

6.2.4 Project cancellation

If a local government intends to cancel a project that was initiated under the Revenue Sharing Program, it may do so by submitting a local governing body resolution or a formal request from locality's signatory as authorized in the local Resolution of Support or other official documentation, typically the City/Town Manager or County Administrator/Executive/Manager, on locality letterhead to LAD. VDOT retains the sole option to require reimbursement from the locality for all state matching funds spent from the time the project started until it is canceled. Failure to reimburse VDOT for costs incurred on a canceled project may result in denial of future allocation requests.

~~8~~7 REDISTRIBUTION OF SURPLUS ALLOCATIONS

7.1 SURPLUS ALLOCATIONS

Allocations no longer necessary for the completion of a project (surplus Revenue Sharing allocations) shall be made available, statewide, to support projects in deficit, within the allocation limits established by the CTB, and to supplement the biennial project selection and allocation process.

Surplus allocations ~~from projects will be transferred to a~~shall be redistributed to existing Revenue Sharing ~~balance entry account for future redistribution through a~~projects in accordance with the most current SYIP transfer process, administrative procedures established in the Revenue Sharing Guidelines, and the statewide prioritization process, ~~which provides first priority to those projects in deficit at award, second priority to those projects anticipated to be in deficit at advertisement.~~.

7.2 STATEWIDE PRIORITIZATION PROCESS

- ~~Surplus allocations from projects will be transferred to a Revenue Sharing balance entry account for future redistribution through a statewide prioritization process, which provides first priority to those projects in deficit at award, second priority to those projects anticipated to be in deficit at advertisement,~~
- First priority to projects in deficit at award,
- Second priority to projects anticipated to be in deficit at advertisement,
- Third priority to ~~those~~ projects in deficit during construction, ~~and~~
- Fourth priority to ~~those~~ projects in deficit after project completion, and then to all other eligible requests.

Generally, additional allocations are ~~not only~~ only provided~~made~~ for~~to~~ projects ~~until~~ once ~~a~~ need i~~s~~n identified at advertisement. If a deficit is identified early in the project development process, localities must submit an ~~new project allocation~~ application through the biennial application process.

To be eligible for surplus allocations to address deficit projects, the locality's authorized signatory, typically the City/Town Manager or County Administrator, must formally request ~~submit a formal request for~~ the funding on locality letterhead to the ~~Local Assistance Division~~LAD Director. ~~VDOT~~~~The Department~~ may require additional documentation to ensure all reasonable attempts at minimizing project costs have been taken prior to allocating additional Revenue Sharing funding. A new Resolution will be required i~~I~~f the original locality Resolution does not provide a locality commitment to address the additional local funds necessary., ~~a new resolution will be required.~~

~~8.1~~7.3 SUPPLEMENTAL ALLOCATIONS

For any application cycle in which less than the full program allocation has been allocated, those localities requesting the maximum allocation may request an additional allocation subject to the discretion of the CTB. The CTB may also elect to provide supplemental allocations, within the policy's guidelines, during non-application years should additional or deallocated funding become~~s~~ available.

AAPPENDIX A: § 33.2-357, CODE OF VIRGINIA

§ 33.2-357. Revenue-sharing funds for systems in certain localities.

A. From revenues made available by the General Assembly and appropriated for the improvement, construction, reconstruction, or maintenance of the systems of state highways, the Board may make an equivalent matching allocation to any locality for designations by the governing body of up to $5 million for use by the locality to improve, construct, maintain, or reconstruct the highway systems within such locality with up to $2.5 million for use by the locality to maintain the highway systems within such locality. After adopting a resolution supporting the action, the governing body of the locality may request revenue-sharing funds to improve, construct, reconstruct, or maintain a highway system located in another locality or between two or more localities or to bring subdivision streets, used as such prior to the date specified in § 33.2-335, up to standards sufficient to qualify them for inclusion in the primary or secondary state highway system. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. In allocating funds under this section, the Board shall give priority to projects as follows: first, to projects that have previously received an allocation of funds pursuant to this section; second, to projects that (i) meet a transportation need identified in the Statewide Transportation Plan pursuant to § 33.2-353 or (ii) accelerate a project in a locality's capital plan; and third, to projects that address pavement resurfacing and bridge rehabilitation projects where the maintenance needs analysis determines that the infrastructure does not meet the Department's maintenance performance targets.

C. The Department shall contract with the locality for the implementation of the project. Such contract may cover either a single project or may provide for the locality's implementation of several projects. The locality shall undertake implementation of the particular project by obtaining the necessary permits from the Department in order to ensure that the improvement is consistent with the Department's standards for such improvements. At the request of the locality, the Department may provide the locality with engineering, right-of-way acquisition, construction, or maintenance services for a project with its own forces. The locality shall provide payment to the Department for any such services. If administered by the Department, such contract shall also require that the governing body of the locality pay to the Department within 30 days the local revenue-sharing funds upon written notice by the Department of its intent to proceed. Any project having funds allocated under this program shall be initiated in such a fashion that at least a portion of such funds have been expended within one year of allocation. Any revenue-sharing funds for projects not initiated after two subsequent fiscal years of allocation may be reallocated at the discretion of the Board.

D. Total Commonwealth funds allocated by the Board under this section shall not exceed the greater of $100 million or seven percent of funds available for distribution pursuant to subsection B of § 33.2-358 prior to the distribution of funds pursuant to this section, whichever is greater, in each fiscal year, subject to appropriation for such purpose. For any fiscal year in which less than the full program allocation has been allocated by the Board to specific governing bodies, those localities requesting the maximum allocation under subsection A may be allowed an additional allocation at the discretion of the Board.

E. The funds allocated by the Board under this section shall be distributed and administered in accordance with the revenue-sharing program guidelines established by the Board.

2006, c. 827, § 33.1-23.05; 2008, c. 608; 2011, cc. 830, 868; 2012, cc. 729, 733; 2014, c. 805; 2015, c. 684; 2018, c. 828; 2020, cc. 1230, 1275.

The chapters of the acts of assembly referenced in the historical citation at the end of this section may not constitute a comprehensive list of such chapters and may exclude chapters whose provisions have expired.

APPENDIX B: CTB REVENUE SHARING POLICY

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

W. Sheppard Miller, III
Chairperson

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Agenda item # 1

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

July 18, 2023

MOTION

Made By: **Seconded By:**

Action:

Title: Policy and Guidelines for the Revenue Sharing Program (2023)

WHEREAS, § 33.2-357 of the *Code of Virginia* (1950), as amended, stipulates that the Commonwealth Transportation Board (Board) shall establish guidelines for the purpose of distributing and administering Revenue Sharing Program funds allocated by the Board; and,

WHEREAS, on December 5, 2018 the Board adopted a revised policy and approved revised guidelines for the Revenue Sharing Program (Revenue Sharing Policy and Revenue Sharing Program Guidelines, respectively); and,

WHEREAS, the revised Board policy required that the Revenue Sharing Policy be reevaluated after two Revenue Sharing Program application cycles and prior to five years from the effective date of the Revenue Sharing Policy; and,

WHEREAS, the Department has conducted an evaluation of the Revenue Sharing Policy and has made recommendations for revisions to the Revenue Sharing Policy, which are summarized in Attachment A; and,

WHEREAS, after an assessment of the recommendations have been made by a subcommittee of the Board, it is the sense of the Board that the existing Revenue Sharing Policy should be revised to ensure more efficient and effective utilization of Program allocations and to ensure Commonwealth Transportation Policy is consistent with and supports Program needs.

APPENDIX A: CRITERIA FOR MAINTENANCE PROJECTS

For questions regarding eligibility on maintenance performance targets or general condition ratings, the designated VDOT Manager should contact the District Maintenance Engineer (DME). If a pavement condition assessment is several years old (with the latest assessment above deficient determination), the District needs to work with their DME to see if a new assessment can be added to the review schedule. Bridges have regularly scheduled inspections, but if the condition of the bridge has degraded since the last regularly scheduled assessment, the District should contact the DME to see if a new assessment can be requested ahead of schedule. All documentation related to deficient roadways and bridges must be submitted by the application deadline in order for the roadway or bridge project request to meet Priority 3 selection criteria.

~~A locality may apply for a maximum of $5 million in matching allocations per fiscal year ($10 million per biennial cycle), and up to $2.5 million ($5 million per biennial cycle) of these requested funds may be specified for maintenance projects.~~ The criteria for determining ~~if~~whether a pavement resurfacing or bridge rehabilitation project meets the P~~p~~riority 3 designation is described ~~below and~~below and is based on VDOT~~the Department~~'s performance targets.

Pavement Resurfacing Projects

Any proposed pavement maintenance project to address a pavement section that was rated as "deficient" (Critical Condition Index (CCI) below 60 or comparable criteria) is eligible for consideration as a maintenance priority project. Any proposed bridge maintenance project to address a poor rating (General Condition Ration (CGR) of 4 or below) on a VDOT- or ~~locality maintained~~locality-maintained bridge or structure is eligible for consideration as a maintenance priority project.

~~It will be the responsibility of the requesting locality to indicate~~The requesting locality will be responsible for indicating on the detailed application if a project ~~for which funds are requested~~ meets the priority criteria. VDOT will provide the condition data to verify that determination for all VDOT-maintained facilities. For locally maintained facilities, the locality will submit their condition rating data to the local VDOT Manager for review. Any questions about the condition assessment data and whether a project qualifies for priority funds will be determined by the District Maintenance Engineer.

Pavement condition assessments are based on ~~the~~ surface distresses, such as roughness, cracking, patching, rutting, potholes, etc. The detailed findings are summarized into a CCI rating, which is based on a scale of 0 to 100, with 100 being assigned to a pavement section with no visible distresses. Any pavement section receiving a CCI rating below 60 is termed "deficient" and can potentially be considered for maintenance activities. The type of maintenance activity is usually selected based on the extent and the severity of distress~~es present~~. Any pavement with a CCI rating below 60 can qualify for the established priority criteria.

Bridge Rehabilitation Projects

Bridge Condition Assessments are based on the condition of structures defined by General Condition Ratings (GCRs) ~~as defined by GCRs that are~~ assigned to each structure during regularly scheduled inspections. These inspections are required by VDOT policy (IIM-S&B-27.12) and by the federally mandated National Bridge Inspection Program. For each bridge or culvert, GCR is~~are~~ used to describe the existing, in-place structure ~~as~~ compared to its as-built condition. Evaluations are provided for the physical condition of the deck, superstructure, and substructure, or culvert components of a structure (therefore, bridges will usually have three GCRs, and culverts will have one). ~~General Condition Ratings~~GCRs are based on a scale of 0 to 9, with 0 being the worst ~~condition~~ and 9 being the best conditions. Virginia categorizes the structure inventory into three categories: ~~of~~ Good, Fair, and Poor. They are defined as:

- Good – lowest GCR is greater than or equal to 6. Structures in this category typically need ~~are typically in need of~~ preventive maintenance work such as bridge cleaning, deck sealing, sealing joints, thin deck overlays, and spot/zone painting.
- Fair – lowest GCR is equal to 5. Structures in this category are typically in need of restorative maintenance actions such as deck patching, rigid deck overlays, reconstructing/closing joints, substructure repairs, fatigue retrofitting, over-coating or re-coating, scour repairs, cathodic protection, and electrochemical chloride extraction.
- Poor – lowest GCR is less than or equal to 4. Structures in this category typically need ~~are typically in need of~~ rehabilitation work actions such as deck replacements, superstructure replacements, and culvert rehabilitation, or complete structure replacement.

Virginia performs an annual needs assessment of the structure inventory ~~in order to~~to determine the resources required to address the structures in each condition category. Bridges and culverts that are in the poor condition category can qualify for the established priority criteria, provided~~ing~~ the items deemed as poor are being addressed. While bridges and culverts that are in the fair and good condition categories do not meet the primary criteria for priority consideration, maintenance projects are encouraged for these structures as system preservation activities, and these projects would qualify for Revenue Sharing funding.

~~The requesting locality is responsible for indicating on the application if the project meets the priority criteria on the application. VDOT will provide the condition data to verify that determination for all VDOT maintained facilities. For locally maintained facilities, the locality submits its condition rating data to the local VDOT Manager for review. Any questions regarding the condition assessment data and whether a project qualifies for priority funding will be determined by the District Maintenance Engineer (DME).~~ If a secondary pavement condition assessment is several years old (with the latest assessment above deficient determination), the District Maintenance Engineer will determine if a new assessment can be added to the current review schedule. Interim bridge ratings will not usually be considered, and the latest regularly scheduled rating should be the basis for evaluation of the priority criteria. Failure to provide the rating documentation will result in the roadway or bridge project request being determined ~~to~~ as not meeting the Priority 3 selection criteria.

~~APPENDIX D~~

~~**REVENUE SHARING APPLICATION PROCESS**~~

APPLICATION PROCESS

The application process generally begins with an announcement or invitation letter, from the Director of Local Assistance, via email and other announcements, to County Administrators and City/Town Managers to participate in the upcoming biennial application cycle (odd-numbered years). The announcement will include a timeframe in which applications will be accepted through VDOT's SMART Portal.

A pre-application submittal for each project is required through the SMART Portal in order to be considered for funding during the open application period. Paper or hard-copies will not be accepted. This will provide an opportunity for the local VDOT Manager to review the eligibility, scope and estimate prior to the final application submittal.

After determining that it they will participate in the program, the locality should coordinate closely with their local VDOT Manager to review potential projects. The local VDOT Manager will provide support regarding eligibility, estimates, and scheduling. If the locality is requesting VDOT administration of the project, the locality must coordinate with the local VDOT Manager to obtain the Department's concurrence with the project's scope, schedule, and estimate.

When submitting multiple project applications, localities will be required to prioritize the applications.

A resolution from the governing body, indicating their desire to participate in the Revenue Sharing Program, their commitment to fully funding the projects, and providing appropriate signatory authority, is also required as part of the application process and must be included with the application. A sample resolution is provided in Appendix G.

Applications lacking required documents, submitted after the deadline, or left in pending status will not be accepted eligible.

There is no limit on the amount of funds the locality may contribute; however, the locality may receive no more than the maximum amount of state Revenue Sharing Program funding allocation stipulated by statute or by Commonwealth Transportation Board Policy. Funding provided through other VDOT funding programs cannot be used to match Revenue Sharing Program funds. If the locality uses other non-VDOT grant funds as a match, the locality must determine if the work being performed is eligible under those non-VDOT programs and the locality is required to meet the requirements of those programs.

For questions regarding eligibility on maintenance performance targets or general condition ratings, the designated VDOT Manager should contact the District Maintenance Engineer (DME). If a pavement condition assessment is several years old (with the latest assessment above deficient determination), the District needs to work with their DME to see if a new assessment can be added to the review schedule. Bridges have regularly scheduled inspections, but if the condition of the bridge has degraded since the last regularly scheduled assessment, the District should contact the DME to see if a new assessment can be requested ahead of schedule. All documentation related to deficient roadways and bridges must be received by the prescribed deadline in order for the roadway or bridge project request to be determined to meet Priority 3 selection criteria.

The local VDOT Manager is responsible for reviewing the application to confirm project scope, estimate, schedule and funding is accurate and any required supporting documents are submitted with the application.

R

APPENDIX E

RESOLUTION
AFFIRMING COMMITMENT TO FUND THE LOCALITY SHARE OF PROJECTS
UNDER AGREEMENT WITH THE VIRGNIA DEPARTMENT OF TRANSPORATION
AND PROVIDE SIGNATURE AUTHORITY

WHEREAS, the (City/Town or County) of _____ is a recipient of Virginia Department of Transportation funds under various grant programs for transportation-related projects; and

WHEREAS, the Virginia Department of Transportation requires each locality, by resolution, to provide assurance of its commitment to funding its local share; and

THEREFORE, IT IS HEREBY RESOLVED, by the (City/Town Council or Board of Supervisors) of _____ hereby commits to fund its local share of preliminary engineering, right-of-way, and construction (as applicable) of the project(s) under agreement with the Virginia Department of Transportation in accordance with the project financial document(s); and

BE IT FURTHER RESOLVED, that the (City/Town Manager or County Administrator) and/or his designees is authorized to execute all agreements and/or addendums for any approved projects with the Virginia Department of Transportation.

In witness whereof, the forgoing was adopted by (City/Town Council or Board of Supervisors) of _____, Virginia on (date).

~~(locality seal)~~

~~Clerk of Court~~