Revenue Sharing Program Guidelines



For further information, contact

Local VDOT Manager
or

Local Assistance Division
Virginia Department of Transportation
1401 East Broad Street
Richmond, Virginia 23219
(804)786-2746

Copyright 2011 Commonwealth of Virginia

VIRGINIA DEPARTMENT OF TRANSPORTATION
LOCAL ASSISTANCE DIVISION

REVENUE SHARING PROGRAM GUIDELINES

This revised 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. It is intended to serve as a reference for local jurisdictions and VDOT staff in preparation and disposition of applications for program funding.

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.

All previous instructions regarding administrative procedures for revenue sharing projects are hereby superseded.

Copyright 2011 Commonwealth of Virginia

REVENUE SHARING PROGRAM GUIDELINES

CONTENTS

Page

I. Definitions 1

II. Purpose 2

III. Eligible Work 2

IV. Funding Limitations 4

V. Application for Funds 5

VI. Approval 5

VII. Implementation 5

VIII. Transfer of Funds 7

LIST OF APPENDICES

SECTION 33.1-23.05 OF THE *CODE OF VIRGINIA* ..... A

REVENUE SHARING PROGRAM POLICY ..... B

APPLICATION PROCESS C

DETAILED DESIGNATION OF FUNDS FORM ..... D

SUMMARY OF PROJECTS – Designation of Funds Form ..... E

SAMPLE RESOLUTION ..... F

IMPLEMENTATION PROCESS ..... G

STATE CERTIFICATION FORM ..... H

REVENUE SHARING PROJECT DE-ALLOCATION, TRANSFER AND INACTIVE REVIEW PROCESS I

I. Definitions

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

Eligible Project means work including construction, reconstruction, improvement, and eligible street additions for which Revenue Sharing Program funds are available. Any work deemed to be maintenance work is not eligible for Revenue Sharing funding.

- **Construction Projects** include those projects 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 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 or complete replacement of bridge).
- **Improvement Projects** include those projects that facilitate or control traffic or pedestrian flow, such as intersection improvements, turn lanes, channelization of traffic, traffic signalization and installation of new sidewalks, trails, curb and gutter or any new installation that will enhance traffic flow or safety.

Local VDOT Manager means the department employee responsible for the administration of the Revenue Sharing Program for that locality. The local VDOT Manager is usually the District Programming Director in the District Planning and Investment Management Office unless otherwise indicated. The District Administrator will designate the employee responsible if different from above.

Locality Capital Plan means any plan utilized by the locality that identifies, prioritizes or allocates funding for eligible projects in that locality.

Matching Funds means funds provided by the Commonwealth which are allocated to eligible items of work in participating localities to supplement, on a dollar-for-dollar basis, the locality's contribution for eligible projects.

Revenue Sharing Program Fund means the designation given to the fund used to finance the specially funded program developed by the local government and the Department of Transportation subject to approval by the Commonwealth Transportation Board.

Rural Addition means any street eligible for addition into the secondary system of state highways under Section 33.1-72.1 of the *Code of Virginia*.

Six-Year Improvement Plan means either the Six Year Improvement Program for Interstate, Primary, and Urban Systems, developed by VDOT and the Commonwealth Transportation Board; 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 (Section 33.1-70.01, of the *Code of Virginia*).

System of State highways means the primary or secondary roads under the ownership, control or jurisdiction of VDOT.

II. Purpose

The "Revenue Sharing Program" provides additional funding for use by a county, city, or town to construct, reconstruct, or improve the highway systems within such county, city, or town and for eligible rural additions in certain counties of the Commonwealth. Locality funds are matched with state funds, with statutory limitations on the amount of state funds authorized per locality.

The program is administered by the Department of Transportation, in cooperation with the participating localities, under the authority of Section 33.1-23.05 of the *Code of Virginia* (Appendix A) and the Commonwealth Transportation Board's Revenue Sharing Program Policy (Appendix B). An annual allocation of funds for this program is designated by the Commonwealth Transportation Board.

III. Eligible Work

The Revenue Sharing Program may be used to finance eligible work on highway systems within a locality. 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, provided the locality identifies any additional funding needed to implement the project. Revenue Sharing Program funds are generally expected to be used to finance project costs in the same fiscal year and projects should be in active development that is leading to their completion within the near term. Additional information about time limits for spending funds is addressed under Timely Implementation of Projects (page 7, paragraph section VII.C.).

Below is a list of types of work that will be considered eligible for Revenue Sharing Program financing. All eligible work is then reviewed based on priority criteria identified under Funding Limitations (page 4 paragraph section IV.).

A. Supplemental Funding for Projects Listed in the Adopted Six-Year Plan

When the designated local VDOT Manager or locality anticipates the cost to complete a project will exceed the financing currently committed to this work, the locality may request that the anticipated deficit be financed by the Revenue Sharing Program.

When the designated local VDOT Manager anticipates allocations (in addition to those proposed in the adopted Six-Year Plan) will be required to completely finance a project, the locality may request permission to provide one half of such additional financing with the remaining one half provided by state matching funds. This includes, but is not limited to, such work as signalization, additional preliminary engineering, or acquisition of additional right-of-way. This procedure may be utilized to accelerate the funding of a project and thereby permit its completion earlier than otherwise would have been possible.

B. **Construction, Reconstruction or Improvement Projects not included in the Adopted Six-Year Plan**

When the designated local VDOT Manager concurs that the proposed work may be eligible for program funding, the locality may request one half the funds to construct a project not currently in the Six-Year Plan. However, in such cases, the locality funds, together with the state matching funds, should finance the entire estimated cost of the project within the fiscal year involved. A preliminary engineering only project can be established, provided it is fully funded.

C. **Improvements necessary for the Acceptance of Specific Subdivision Streets Otherwise Eligible for Acceptance into the 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 certain subdivision streets otherwise eligible under Section 33.1-72.1, *Code of Virginia*. Roads in cities and towns are not eligible as additions to the urban system under 33.1-72.1.

D. **New Hardsurfacing (Paving)**

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 hardsurfacing. Urban system roads in cities and towns are not eligible.

Additionally, in practice, VDOT has determined that the first asphalt overlay of a previously non-plant mix road is an improvement and could use secondary construction funds. Subsequent asphalt overlays of the same roadway would then be considered "maintenance." Therefore, the first asphalt overlay is considered an eligible project for Revenue Sharing Program funds.

E. **New Roadway**

Revenue Sharing Program funds may be used to establish a new facility to be part of the system of state highways or part of the road system in the locality that is eligible to receive maintenance payments from VDOT pursuant to Section 33.1-41.1 of the *Code of Virginia*. In order 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 Comprehensive Plan 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.

F. **Deficits on Completed Construction, Reconstruction or Improvement Projects**

When a project in the Six-Year Plan is completed with a deficit, the locality may request that the deficit be financed by the Revenue Sharing Program.

IV. Funding Limitations

The total funds available each fiscal year will be determined by the Commonwealth Transportation Board. The maximum allocation the CTB may make to the Revenue Sharing Program is $200 million annually. The minimum allocation the CTB may make to the Revenue Sharing Program is $15 million annually.

A locality may apply for up to a maximum of $10 million in matching allocations. However each locality's request for up to $1 million in Revenue Sharing Program funding will be evaluated before considering additional funding for requests that exceed $1 million. Priority will be given to allocations that accelerate projects in the Commonwealth Transportation Six-Year Improvement Program or the locality's capital plan and prioritized as follows.

For requests up to $1 million:

- Each locality's request for up to $1 million will be evaluated first
- Projects that can be accelerated in the Six-Year Improvement Program or in the locality's capital plan (priority criteria established pursuant to Section 33.1-23.05 of the *Code of Virginia*) will be fully funded as requested provided there are sufficient Revenue Sharing Program funds
- If Revenue Sharing Program funds are insufficient to fully fund all requests up to $1 million that also meet the priority criteria, all requests under $1 million will be pro-rated and no funds will be allocated for requests over $1 million

For requests over $1 million and up to $10 million:

There is an expectation that localities requesting more than $1 million are identifying projects that are at a stage that can utilize these funds and not have large balances sitting idle. These requests will be reviewed to ensure that:

- The locality demonstrates that the requested funding will be utilized on the project within 24 months
- The Revenue Sharing Program funds requested will accelerate projects in the Six-Year Improvement Program or the locality's capital plan
- If there is insufficient Revenue Sharing Program funding to cover the requests over $1 million that meet above criteria, remaining funds will be pro-rated or allocated as otherwise directed by the Commonwealth Transportation Board

For requests that do not meet the priority criteria:

- Requests up to $1 million will be evaluated and funded next with any remaining Revenue Sharing Program funding
- Requests over $1 million will be evaluated and any remaining Revenue Sharing Program funding will be pro-rated or allocated as otherwise directed by the Commonwealth Transportation Board

V. Application for Funds

Application 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 concurrence from the governing body of the other locality. The application package must include the resolution and the detailed designation of funds form (Appendix D). The summary designation of funds form is optional. 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 in which they are located.

Project funding is allocated by resolution of the Commonwealth Transportation Board. Projects may be developed and constructed by VDOT or the locality. The application process is described in Appendix C. Forms for submission of Revenue Sharing Program funding requests and pertinent project information must be compiled and submitted for VDOT review. The forms utilized for this purpose are found in Appendix D (REVENUE SHARING DETAILED DESIGNATION OF FUNDS FORM) and Appendix E (SUMMARY OF PROJECTS - Designation of Funds Form). A sample resolution may be found in Appendix F.

VI. Approval

Upon receipt of the requests, the designated local VDOT Manager will review the application (REVENUE SHARING DETAILED DESIGNATION OF FUNDS FORM) from each locality for eligibility. Once the localities' requests are found to be eligible, Local Assistance Division will develop the Statewide Program for submission to the Commonwealth Transportation Board for approval. The Local Assistance Division will review and coordinate with other divisions as necessary and appropriate.

The Commonwealth Transportation Board approves the statewide Revenue Sharing Program, including allocations to specific projects in consideration of each locality's request. The Commonwealth Transportation Commissioner may approve transactions, such as locality/state agreements, for Revenue Sharing Program projects prior to Commonwealth Transportation Board approval; however, no project work should be conducted, prior to approval of Revenue Sharing Program allocations by the Board, for which reimbursement from the requested Revenue Sharing Program funds is expected.

VII. Implementation

Upon Commonwealth Transportation Board approval of the statewide program**,** development of the individual projects begins. 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 the locality under an agreement with the Department.

A. **VDOT Administered Work**

VDOT will request payment from the locality for its share of the estimated cost of work to be performed; the money is collected prior to the beginning of work or surplus funds (state

funds and local match) from other Revenue Sharing projects may be transferred to cover the estimated cost. For projects exceeding $500,000 in total estimated cost, VDOT and the locality may agree to payment of the local match by project phase (i.e., preliminary engineering, right of way, or construction). After the project is completed, VDOT will make final billing to the locality for its share of the actual costs incurred in excess of those provided at the beginning of the project or surplus funds from other Revenue Sharing projects may be transferred to cover any deficit balance. If the locality's share of the actual cost is less than the estimated cost, the difference will be refunded to the locality or the locality may transfer the remaining funds to another existing Revenue Sharing project as noted in the section describing transfer of funds (page 7, paragraph section VIII.). Appendix G provides the steps for initiating project funding and invoicing.

If a local government wishes to cancel a project begun 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 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 will be required for any project cancelled after the plans have been approved unless an exception is granted by the Commissioner.

B. **Locally Administered Work**

VDOT has published the Locally Administered Projects (LAP) Manual that provides general guidance for locally administered projects. This guide is available on the Local Assistance Division webpage: http://www.virginiadot.org/business/resources/LAP_Guide.pdf. The Local Assistance Division, working with the designated local VDOT Manager will prepare the locality/state agreement that governs the performance of work administered by the locality. The 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 process is available. The locality should submit the state certification form Appendix H to the local VDOT Manager prior to advertisement but no later than prior to project award.

Once the project begins, the locality may submit monthly invoices to VDOT for eligible costs incurred. After all work is completed, the locality makes a final billing to VDOT for VDOT's share of the actual eligible costs incurred. If the actual cost is less than anticipated in the agreement, the remaining VDOT share of Revenue Sharing Program funds may be transferred to another existing project as noted in the section describing transfer of funds (page 7, paragraph section VIII.) or, if the locality desires, returned to VDOT's statewide fund for the Revenue Sharing Program. Appendix G provides the steps for initiating project funding and invoicing.

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 will be required for any project cancelled after the plans have been approved unless an exception is granted by the Commissioner

C. Timely Implementation of Projects

All requests for Revenue Sharing funding are expected to be for viable projects with work anticipated in the near future. If Revenue Sharing Program funds are allocated for a project and that project is not initiated within the two fiscal years subsequent to allocation, the funds may be reallocated at the discretion of the Commonwealth Transportation Board.

Local Assistance Division has developed a de-allocation process to address funding that may be removed from a project under certain conditions . No funds will be de-allocated without the locality being notified. The de-allocation process is explained in Appendix I .

VIII. Transfer of Funds

Transfer of funds to an existing revenue sharing project

To implement a transfer of funds to an existing revenue sharing project, the County Administrator or City/Town Manager may request via letter or email that funds be moved from one revenue sharing project to another existing revenue sharing project in order to provide additional funds. This request should be forwarded to the designated local VDOT Manager. The local VDOT Manager will, in turn, forward the request to the Local Assistance Division. (Please refer to Appendix I for more information on the procedures for transfer of funds)

Transfer of funds to an existing non-revenue sharing project

Revenue Sharing Program funds may also be transferred to an existing project in the Six Year Improvement Program, Secondary Six Year Plan, or Capital Improvement Program (CIP) for localities participating in the Urban Construction Initiative if needed to meet the approved federal obligation schedule or to ensure a scheduled advertisement date can be met or advanced, and if approved by the Commonwealth Transportation Board. Included in the request must be a resolution from the locality establishing the project as a revenue sharing project along with the detailed reasons for the request and the status of both projects. This documentation should be forwarded to the designated local VDOT Manager. The local VDOT Manager will, in turn, forward the request to the Local Assistance Division. (Please see Appendix I for more information on the procedures for transfer of funds)

SECTION 33.1-23.05 OF THE *CODE OF VIRGINIA*
(as amended during the 2011 General Assembly)

§ 33.1-23.05. Revenue-sharing funds for systems in certain counties, cities, and towns.

A. From revenues made available by the General Assembly ~~after January 1, 2008,~~ and appropriated for the improvement, construction, or reconstruction of the systems of state highways, the Commonwealth Transportation Board ~~shall~~ *may* make an equivalent matching allocation to any county, city, or town for designations by the governing body of up to ~~$1~~ *$10* million ~~in county, city, or town general funds~~ for use by the county, city, or town to improve, construct, or reconstruct the highway systems within such county, city, or town. After adopting a resolution supporting the action, the governing body may request revenue-sharing funds to improve, construct, or reconstruct a highway system located in another locality, between two or more localities, or to bring subdivision streets, used as such prior to ~~July 1, 1992~~ *the date specified in § 33.1-72.1*, up to standards sufficient to qualify them for inclusion in the state primary and secondary system of highways. All requests for funding shall be accompanied by a prioritized listing of specified projects.

B. ~~The allocation of funds to localities shall be only for the purposes set forth in subsection A.~~ In allocating funds under this section, the Board shall give priority ~~(i) first when such project is administered by the county, city, or town, either directly or by contract with another entity, (ii) second, when such county, city, or town commits more local funding than the amount of revenue-sharing funding requested, and (iii) third when the allocation will accelerate an existing project in the Six-Year Improvement Program or the locality's capital plans. Any funds remaining may be applied to any other project that requires an equivalent matching allocation from the governing body~~ *to allocations that will accelerate projects in the Commonwealth Transportation Six-Year Improvement Program or the locality's capital plan*.

C. The Department will contract with the county, city, or town for the implementation of the project or projects. Such contract may cover either a single project or may provide for the locality's implementation of several projects during the fiscal year. The county, city, or town will undertake implementation of the particular project or projects by obtaining the necessary permits from the Department of Transportation 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, and/or construction 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 pay to the Department within 30 days the local revenue-sharing funds ~~from its general fund~~ 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 where at least a portion of such funds have been expended within two subsequent fiscal years 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 Commonwealth Transportation Board.

D. Total Commonwealth funds allocated by the Board under this section shall not exceed ~~$50~~ *$200* million in any one fiscal year and no less than $15 million each fiscal year, subject to appropriation for such purpose.

E. ~~No more than three months prior to the end of 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~~ *The funds allocated by the Commonwealth Transportation Board under this section shall be distributed and administered in accordance with the revenue-sharing program guidelines established by the Board.*

COMMONWEALTH of VIRGINIA

Commonwealth Transportation Board

Sean T. Connaughton
Chairman

1401 East Broad Street
Richmond, Virginia 23219

(804) 786-2701
Fax: (804) 225-2940

Agenda item # 7

RESOLUTION
OF THE
COMMONWEALTH TRANSPORTATION BOARD

April 20, 2011

MOTION

Made By: Mr. Keen Seconded By: Mr. Koelemay
Action: Motion Carried, Unanimously

Title: Policy and Guidelines for the Revenue Sharing Program

WHEREAS, the General Assembly, during the 2011 general session, amended § 33.1-23.05 of the *Code of Virginia* (1950) relating to revenue-sharing funds for systems in certain counties, cities and towns of the Commonwealth; and

WHEREAS, § 33.1-23.05, as amended, specifically stipulates that the Commonwealth Transportation Board (CTB) shall establish guidelines for the purpose of distributing and administering revenue-sharing program funds allocated by the CTB; and

WHEREAS, the CTB approved a Revenue-Sharing Program Policy on April 17, 2008, published by the State Registrar of Regulations as an Administrative Process Act regulation (24VAC30-281), to comply with changes to the revenue-sharing program made by the General Assembly that year; and

WHEREAS, it is the sense of the CTB that its existing Revenue-Sharing Program Policy and the accompanying guidance should be amended to reflect the changes made by the 2011 General Assembly to the revenue-sharing program.

NOW, THEREFORE, BE IT RESOLVED that the CTB hereby adopts the following policy to govern the use of revenue-sharing funds pursuant to Section 33.1-23.05, as amended, of the *Code of Virginia* (1950):

1. The Revenue-Sharing Program shall provide a matching allocation up to $10 million to any county, city or town for projects designated by the locality for improvement, onstruction or reconstruction of highway systems within such locality.

2. Revenue-Sharing funds shall be prioritized and allocated in accordance with the provisions of § 33.1-23.05 B. of the *Code of Virginia* and then, as further outlined in the Revenue Sharing Program Guidelines.

3. Application 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 other 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. Funds may be administratively transferred by the Department of Transportation from one revenue sharing project to another existing revenue-sharing project upon request of the locality. If approved by the CTB, revenue-sharing funds may also be transferred to an existing project in the Six Year Improvement Program or Secondary Six Year Plan if needed to meet the approved federal obligation schedule or to ensure that a scheduled advertisement date can be met or accelerated. Requests for all transfers must be made in writing by the County Administrator or City/Town Manager. All requests must include the reasons for the request and the status of both projects.

5. 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 amounts necessary to complete the project. Revenue-sharing funds are normally expected to be used within the fiscal year following their allocation. If a project having funds allocated under this program has not been initiated so that a portion of such funds have been expended within two subsequent fiscal years of allocation, the funds may be reallocated at the discretion of the CTB.

BE IT FURTHER RESOLVED that the CTB approves the Revenue Sharing Program Guidelines as attached hereto.

BE IT FURTHER RESOLVED that the above policy shall become effective July 1, 2011, and all revenue-sharing program policies previously adopted heretofore by the CTB and the regulation published as the Revenue-Sharing Program Policy, 24VAC30-281, shall be repealed simultaneously.

BE IT FURTHER RESOLVED, that the Virginia Department of Transportation is directed to process the regulatory repeal action approved herein as provided for by the submission requirements established by the *Code of Virginia*, Executive Order 14 (10), and the State Registrar of Regulations.

####

APPLICATION PROCESS

1. VDOT's Director of Local Assistance sends a letter inviting all qualifying local governments to participate in the Revenue Sharing Program for the coming fiscal year.

2. The local government determines its intent to participate in the program, and the amount of local funds to be provided. The local government and designated local VDOT Manager jointly prepare an application to recommend assignment of requested funds to eligible projects. This application should:

    - list what is to be included for each project (example: length of road, width of road, estimated cost, project schedule, etc.);
    - list projects in the locality's priority order;
    - identify each phase (i.e., preliminary engineering, right of way, and construction) of each project to be administered by the locality or by VDOT
    - include a resolution from the governing body of the locality. A town not maintaining its own streets must submit its request with the county in which it is located.

    There is no limit on the amount of funds the locality may contribute. Designation of funds forms as shown in Appendix D and Appendix E (optional) should be used for the prioritized list and project details. The application and all supporting documents must be sent to the designated VDOT Manager for review prior to submittal to the Local Assistance Division.

3. The designated local VDOT Manager reviews the detailed application developed in Step 2 of the process for eligibility. Appropriate designated local VDOT Manager enters data from Project Detail Form (application) into VDOT's Project Pool and obtains permanent UPC. Once permanent UPC is obtained, the designated local VDOT Manager enters that data on application. Appropriate VDOT personnel uploads application onto Local Assistance Team Site and forwards it along with recommendations and all supporting documents to the Local Assistance Division, with a copy to the appropriate District Administrator.

    The application and all supporting documents must be received by the Local Assistance Division by the date specified in the invitation letter.

4. VDOT's Local Assistance Division reviews the submitted applications and notifies the designated local VDOT Manager of the amount of state matching funds available for use on specified projects in their localities, subject to the approval of the Commonwealth Transportation Board.

EACH PROJECT CONSIDERED INDIVIDUALLY. SEPARATE APPLICATION REQUIRED FOR EACH PROJECT TO BE CONSIDERED.

REVENUE SHARING DETAILED DESIGNATION OF FUNDS FORM

FY: 2011-12 **Revenue Sharing Program** **District:** >choose one<

>choose Locality Type< of <insert locality name< # of Applications Locality is submitting: _____

PROJECT INFORMATION **(Please TAB from field to field)**

Locality's Priority #: _____ Route #: _____ and local road name, if available: _____

State Project Number: _____ UPC #: _____

Description of Work/Scope: _____

From: _____ To: _____

Length: _____ (miles) Planned Construction Ad/Start Date: _____ (enter month & 4 digit year – ex: 05/2010)

Does this project provide or enhance accommodations for pedestrians & bicyclists? >select Yes or No<

Is this project in another locality? >select Yes or No< If yes, please identify the locality and reason for request on the line below.

PROJECT ESTIMATES *– see asterisks (*) below for information regarding how to determine info needed*

PHASE	*Total Estimated Project Cost	Sections below pertain to Revenue Sharing funded portion only:		
		**Estimated Eligible Project Costs	***Estimated Eligible VDOT Project Expenses	****Estimated Reimbursement to Locality
PE	$ 0	$ 0	$ 0	$ 0
RW	$ 0	$ 0	$ 0	$ 0
CN	$ 0	$ 0	$ 0	$ 0
TOTAL	$ 0	$ 0	$ 0	$ 0

Please TAB from field to field after entering amounts. Calculate column totals by right clicking on "$ 0" then select – "Update Field".

* **Total Estimated Project Cost** – this should be reflective of all projects costs we will be showing in the Agreement (and on the Appendix A).

** **Estimated Eligible Project Costs** – this cost is limited to the amount of Revenue Sharing funds we have for the project. Please determine the amount of Revenue Sharing funds that will be used for each phase.

*** **Estimated Eligible VDOT Project Expenses** – this cost should reflect how much Revenue Sharing the locality has agreed can be spent for VDOT time or work. If this is a VDOT-administered project, all eligible project costs should be reflected here. If this is a locality-administered project, only those costs the locality agrees VDOT personnel can charge for time or work to project should be reflected here. (Even if it is locality-administered, there may be costs on every project for VDOT for administering SERP, inspection, plan review or other type services.)

**** **Estimated Reimbursement to Locality** – this cost should only be shown on Revenue Sharing locality-administered projects. It should reflect the amount of VDOT matching Revenue Sharing funds that will be reimbursed to the locality, minus any VDOT expenditures if no funds were received from the locality to cover VDOT expenditures.

LOCALLY ADMINISTERED **– [>select Yes or No<]** *– Please answer each additional box below*

Locally Administered? Respond for each phase below	Requesting to be reimbursed? Respond for each phase below
PE: >select Yes or No<	PE: >select Yes or No<
RW: >select Yes or No<	RW: >select Yes or No<
CN: >select Yes or No<	CN: >select Yes or No<

PROJECT FINANCIAL INFORMATION **(Please TAB from field to field)**

VDOT Revenue Sharing matching funds requested for FY 2012: $ 0 (limit this request to $1 million)

Locality Revenue Sharing matching funds requested for FY2012: $ 0 (limit this request to $1 million)

Additional VDOT Rev Share Matching funds over $1M requested for FY2012: $ 0 (limit this request to $9 million)

Additional Locality Rev Share Matching funds over $1M requested for FY2012: $ 0 (limit this request to $9 million)

Other State / Federal / Local funds (list total amount): $ 0 Type: _____

Total funds on Project: (should equal total estimated cost above): $ 0 (Right click on "$ 0" & select "Update Field" for total)

Has this project received Revenue Sharing funds before? >select Yes or No< If yes, what FY(s): _____

REQUIRED ADDITIONAL APPLICATION INFORMATION **(Please TAB from field to field)**

Will the funds over $1 million be utilized within 24 months from the date they are approved? >select Yes or No<

Will these funds accelerate a project currently in the Commonwealth Transportation Six-Year Improvement Plan or the locality's capital plan? If yes, please provide dates below. >select Yes or No<

Current Advertisement Date: _____ (MM/dd/yyyy) New Advertisement Date: _____ (MM/dd/yyyy)

COMMENTS

Submitted by: >Locality Official< Reviewed by: >VDOT Personnel<

sign here for original hard-copy submission sign here for original hard-copy submission

Locality Official & Position Date VDOT Official & Position Date

(Revised 03/01/2011)

Rev. 03/01/2011

SUMMARY OF PROJECTS – Designation of Funds Form

(This form is OPTIONAL.)

FY 2012 Revenue Sharing Program

>select County, City or Town<

District: _____

(Use TAB key to move from field to field)

Locality's Priority #	Route #	Road Name	Requested State Revenue Sharing Match	Locality Revenue Sharing Match		TOTAL FUNDS ($)
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
			$	$		$ 0
TOTAL OF ALL FUNDS			$ 0.00	$ 0.00		$ 0

(To obtain vertical or horizontal totals, right click on field and then select "Update Field". Tab out of field for calculation to appear.)

Revenue Sharing Program
Summary Designation of Funds Form
OPTIONAL – Not required to be submitted with application(s)

SAMPLE RESOLUTION

At a regularly scheduled meeting of the [name of locality (City/Town Council or County Board of Supervisors)] held on [month & day], 20_____, on a motion by [name of Council or Board member], seconded by [name of Council or Board member], the following resolution was adopted by a vote of [#] to [#]:

WHEREAS, the [name of locality (City/Town Council or County Board of Supervisors)] desires to submit an application for an allocation of funds of up to [enter amount locality intends to provide as its match] through the Virginia Department of Transportation Fiscal Year 20xx-xx, Revenue Sharing Program; and,

WHEREAS, [enter amount locality intends to provide as its match] of these funds are requested to fund [description of work], [termini]; and,

NOW, THEREFORE, BE IT RESOLVED THAT: The [name of locality (City/Town Council or County Board of Supervisors)] hereby supports this application for an allocation of [enter amount locality intends to provide as its match] through the Virginia Department of Transportation Fiscal Year 20xx-xx Revenue Sharing Program.

(Note that the paragraph below is optional but ensures on locally administered projects a separate "Authority to Sign" is not required to execute the agreement.)

BE IT FURTHER RESOLVED THAT the [name of locality (City/Town Council or Board of Supervisors)] hereby grants authority for the [title of position, i.e. City Manager/County Administrator] to execute project administration agreements for any approved revenue sharing projects.

ADOPTED this [day] day of [month year].

A COPY ATTEST

_____
[name] [title]

IMPLEMENTATION PROCESS

VDOT's Local Assistance Division coordinates with the Fiscal Division to reserve the state matching funds for the approved specific revenue sharing projects.

VDOT Administered Projects

1. The Locality and VDOT coordinate the project schedule. With concurrence of the locality, the designated local VDOT Manager will issue intent to proceed for the design of the project. The Fiscal Division bills the locality or the appropriate designated local VDOT Manager requests payment from the locality for its share of the estimated cost of work to be performed; the money is collected within 30 days of the notice of intent.

2. After the project is completed, the Fiscal Division makes final billing to the locality for its share of the actual costs incurred, in excess of those provided in Step 1 or funds may be transferred from other Revenue Sharing projects. If the locality's share of the actual cost is less than the estimated cost, the difference may, if desired by the locality, be refunded to the locality or transferred to another existing project as noted in the section describing Transfer of Funds in this Guide.

Locally Administered Projects

1. The designated local VDOT Manager prepares the request to administer form for locally administered projects. The form must be signed by the responsible local official and designated local VDOT Manager and then approved by VDOT's Chief Engineer. VDOT has published a Locally Administered Projects (LAP) Manual that provides general guidance for locally administered projects and includes the request to administer forms and other guidance for locally administered projects. This guide is available on the Local Assistance Division webpage on the VDOT website. The request to administer form will identify the Project Coordinator that will coordinate with the locality through project development as needed.

2. VDOT will then draft the locality/state agreement that governs the performance of work administered by the locality. The agreement must be executed by the locality and VDOT prior to incurring any cost to be financed from the Revenue Sharing Program. Any costs incurred prior to the agreement being executed will not be eligible for reimbursement.

3. Upon execution of the agreement, the project will be opened for a minimal time for VDOT to perform SERP, scoping or inspection if applicable. As invoices are received for payment, the proper phase will be opened for a minimal time to allow the invoice to be processed.

4. As part of the streamlined process for locally administered projects, prior to advertisement, the locality will forward to the designated Project Coordinator the State Certification Form (for projects funded solely with Revenue Sharing Funds), indicating all applicable laws and regulations pertaining to locally administered state funded projects has been met. The designated Project Coordinator will provide a letter or email giving their approval to proceed with the advertisement process.

5. Once the project begins, a project level invoice, accompanied by supporting documentation, should be submitted to the VDOT Project Coordinator no more frequent than monthly. The supporting documentation should include copies of invoices paid by the locality and a to-date project summary schedule, tracking payment requests and any adjustments. In lieu of copies of invoices paid by the locality, a one-page summary of what documentation the locality has on file may be used, provided that the locality's Director of Finance or (equivalent official) similar position signs it. After all work is completed the Locality makes a final billing to VDOT for its share of the actual eligible costs incurred. If the actual cost is less than that provided by the agreement, the difference may be reassigned to another revenue sharing project in the locality, or, if the locality desires, refunded to the VDOT Revenue Sharing Program Fund.

6. Any updates to the project's status, schedule, or estimate shall be done by the designated local VDOT Manager or Project Coordinator during the course of the project.

STATE CERTIFICATION FORM
Certification Form for State Funded Projects

Project Number: UPC:

This certification form is to be used to certify adherence to all applicable laws and regulations pertaining to locally administered state funded projects. This certification form will not be used for projects utilizing any federal funds. The signature at the bottom will certify that **<INSERT LOCAL GOVERNMENT NAME>** has met the following requirements for state funded projects. VDOT may perform project audits to verify compliance with this certification. False or inaccurate statements identified by VDOT or other state regulatory agencies may result in the requirement to return state aid and/or other penalties as allowed by State law.

Initials	Certification Statement
	Check applicable statement:
	☐For highways maintained by the LPA, project plans have been designed in accordance with AASHTO standards and signed and sealed by a Virginia registered P.E. in accordance with DPOR;
	OR
	☐For highways which will be operated and maintained by VDOT, project plans have been designed in accordance with VDOT Standards and that VDOT has reviewed the plans in accordance with the agreed upon schedule and all necessary design variances/waivers have been attained and the plans have been signed and sealed by a Virginia registered P.E. in accordance with DPOR.
	All required regulatory agency coordination has been made and applicable permits or approvals have been acquired.
	Where VDOT will operate and maintain the highway, that the LPA has performed appropriate due diligence to identify environmental hazards on new right of way and to the best of our knowledge, any existing environmental hazards have been identified and mitigated or a plan for mitigation during construction has been made.
	Project was developed in accordance with State laws and regulations governing public involvement so that adequate and appropriate public notice and opportunity for public comment was provided.
	All right of way has been obtained and that the LPA has legal right of entry onto each and every parcel for the advertisement and construction of the referenced Project.
	The LPA has complied with the Code of Virginia requirements pertaining to relocations and the acquisition of real property.
	All affected utilities have been relocated or companies authorized to relocate their facilities. If not, they are included as in-plan work to be performed by the road contractor.
	The project was advertised in accordance with the Virginia Public Procurement Act and that the advertisement package included all appropriate EEO provisions.
	All environmental regulations as are applicable to local government capital improvement projects and as required by State or federal laws applicable to non federal-aid projects have been met or provisions to meet continuing requirements during construction have been made.

<INSERT LOCAL GOVERNMENT NAME> acknowledges that failure to fulfill its legal obligations associated with those requirements identified in this certification may result in project delays and/or delays or forfeiture of State reimbursements. **<INSERT LOCAL GOVERNMENT NAME>** further acknowledges that obligations associated with those requirements identified in this certification may be subject to audit by VDOT or State oversight agencies.

_____

Local Government Manager (City Manager, County Administrator, City Engineer or County Director of Public Works or designated authority to sign)

_____

Date

cc: Project file
VDOT Project Coordinator
VDOT Local Assistance Director

(Please refer to the Locally Administered Projects (LAP) Manual for the most current form)

REVENUE SHARING PROGRAM DE-ALLOCATION, PROJECT TRANSFER, AND INACTIVE PROJECT REVIEW PROCESS

De-allocation

Identification of Projects Subject to De-allocation:

- §33.1-23.05 was modified in 2008 to include a provision establishing timeframes for the expenditure of funds. The language indicates that any project having funds under the revenue sharing program shall be initiated in such a fashion where at least a portion of the funds have been expended within two subsequent years of allocation. Funds on projects that do not have expenditures within the stated timeframes are subject to de-allocation. Criteria for identifying projects for potential de-allocation:
    - Project completed with allocations remaining and no activity for 24 months
    - Project not initiated after two (2) subsequent fiscal years of allocations
    - Project on-going, where no portion of allocated revenue sharing funds have been expended within two (2) subsequent fiscal years of allocations

Process for de-allocation:

- Obtain from Fiscal Division a list of revenue sharing projects that have had no activity in past 24 months.
- Revenue Sharing Program Manager will provide to the designated local VDOT Manager a list of potential projects for de-allocation
- The Designated local VDOT Manager will coordinate with each affected locality to determine the project status and provide an action plan and recommendation whether funds should be de-allocated or whether there is justification to retain the funds. This action plan and recommendation will be provided back to the Revenue Sharing Program Manager within 45 days.
- Projects identified by the designated local VDOT Manager as complete, or at the request of the locality need to be cancelled, will be closed and the designated local VDOT Manager will be asked to provide proper documentation to move funds to another qualifying project within 45 days.
- Once projects are identified for de-allocation a list will be presented at the next upcoming CTB meeting for consideration in the removal of Revenue Sharing project funds. Localities will be notified of proposed de-allocations at least 30 days prior to presentation to the CTB.
- If the decision is made to de-allocate the funds, those funds will be transferred from the project to the Revenue Sharing Balance Entry account and made available for redistribution at a later date. Any match funds that had been paid by the locality for the funds being de-allocated will be refunded to that locality through the respective District office.

March 2011

Project Transfer

Designated local VDOT Manager may request that unexpended allocated funding be transferred to another existing revenue sharing project within the same locality or to a new project within the same locality. These transfers need to occur prior to the project being identified for de-allocation. Once a project has been identified for de-allocation, transfers can only occur when it will cover a deficit on a project. Such transfer requests must be made in writing, be accompanied by a PD-24, and have the appropriate documentation from the locality. These transfers can be requested and made throughout the course of the year.

Process for transfer:

- ***Existing Revenue Sharing Project to Existing Revenue Sharing Project:***
  - Designated local VDOT Manager submits PD24 along with email or letter from County Administrator, Board of Supervisors, or Town/City Manager requesting transfer (referencing from and to).
  - Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with Programming Division)
- Once funding is verified it is available:
  - Revenue Sharing Program Manager forwards PD24 to Programming Division for processing in PAM & records transfer in Revenue Sharing database.
  - Email is sent to the designated local VDOT Manager indicating the transfer of funding has been approved. If applicable, project agreements are modified (or request made of project manager to do so) and is transmitted with the transfer approval letter.
- ***Existing Revenue Sharing Project to New (project that has never had Revenue Sharing funds on it before)*:**
  - New project must be in VDOT's existing Six Year Improvement Plan, Secondary Six Year Plan, or the Capital Improvement **and;**
  - Movement of the funds must be needed to meet the approved federal obligation schedule or to ensure a scheduled advertisement date can be met or advanced.
  - Designated local VDOT manager must submit resolution from the Locality requesting the transfer, identifying the status of the "from" project and request establishment of the new project as a revenue sharing project.
  - Revenue Sharing Program Manager reviews project allocations, expenditures, and pending VDOT charges to determine amount available for transfer (in coordination with Programming Division)
- Once funding is verified it is available:
  - Revenue Sharing Program Manager drafts CTB resolution and Decision Brief for review by AG.
  - Once approved by AG, CTB Resolution & Decision Brief put on agenda for next CTB meeting.
  - Once CTB has approved, Revenue Sharing Program Manager forwards PD24 to Programming Division for processing in PAM and records transfer in Revenue Sharing database.
  - Email is sent to the designated local VDOT Manager indicating the transfer of funding has been approved. If applicable, project agreements are modified (or request made of the designated local VDOT Manager to do so) and is transmitted with the transfer approval letter.

March 2011

Inactive Project Review

The inactive project review for the majority of projects is on projects that have had no activity within twelve (12) months. Legislation for Revenue Sharing funding allows 36-months of no activity before any action can be taken. The review for inactivity is covered under the de-allocation process. Any transferring of funds on a project deemed inactive will also be handled as part of the de-allocation process.

March 2011