

Urban Construction Initiative

Program Advantages

Local Control of the Urban Construction Program

- Urban allocation is programmed locally
 - Federally funded projects remain in VDOT's Six Year Improvement Program
 - State funded projects programmed in local Capital Improvement Program
- Local financial management of state revenues – received in a quarterly payment
- Integrating transportation and land-use decision making – both at local level

Local Control of Projects

- Streamlined agreement process
 - First Cities Program Agreement covers all projects, program-wide
 - Individual City/State agreements are not necessary for most projects
- Project level billing process is streamlined
 - Federal funds are available on a reimbursement basis
 - VDOT will no longer bill the locality for the 2% local match
- Increased local control of project level decision-making (phased approach)
 - AASHTO design criteria
 - Project certifications are done by the local government

Financial Benefits

- Receive state portion of urban allocation upfront in quarterly payments
- Greater flexibility in 2% match requirements
 - 2% match can be made in the form of salaries or in-kind contributions
 - FY06 Budget Amendment would remove matching requirement for any project initiated under the Urban Construction Program after July 1, 2005
- Remain eligible for other special funding programs

Program Realities

Statutory and Regulatory Requirements

- Federal Requirements do not go away
- State is still responsible to the FHWA for delivery of federally funded projects
- VDOT becomes an oversight agency – local government certifies projects

Accountability

- Local Government has control/responsibility for all phases of project development
- Local Government is the sole contact for citizen interest
- Local Government is responsible for meeting federal financial obligation