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