

Department of Planning and Budget 2016 Fiscal Impact Statement

1. Bill Number: HB720

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: LeMunyon

3. Committee: House Transportation

4. Title: Transportation projects in Planning District 8; public hearings

5. Summary: For Virginia Department of Transportation (VDOT) and Department of Rail and Public Transportation (DRPT) projects to be constructed in Planning District 8, the bill requires that public hearings be held for projects valued in excess of \$10 million. The hearing is further prescribed to be held after the conclusion of the project's preliminary design phase but prior to the project's detailed design phase. VDOT must further evaluate such projects pursuant to §33.2-257, Code of Virginia. A second enactment directs that all projects that have already proceeded to detailed design phase as of January 1, 2016, shall also be evaluated pursuant to §33.2-257, Code of Virginia.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary. See Item 8.

8. Fiscal Implications: The proposed legislation refers to § 33.2-257, Code of Virginia, which requires an evaluation to provide an objective, quantitative rating for each project according to the degree to which the project is expected to reduce congestion and, to the extent feasible, the degree to which the project is expected to improve regional mobility in the event of a homeland security emergency.

VDOT's Northern Virginia District currently has 37 projects in development that exceed the \$10 million value threshold cited in this legislation. Of these:

- 23 projects are valued greater than \$10 million but less than or equal to \$50 million;
- 11 projects are valued greater than \$50 million but less than or equal to \$100 million;
- and,
- 3 projects are valued greater than \$100 million.

According to VDOT, the estimated cost of performing a quantitative evaluation pursuant to § 33.2-257, Code of Virginia, is dependent on the complexity of the project. An evaluation for a generally straightforward project may cost \$40,000, whereas a large complex project may cost \$110,000. Using the lower evaluation estimate for projects valued between \$10 and \$50 million, the higher evaluation estimate for projects valued greater than \$100 million, and an

average of the higher and lower evaluation estimates (\$75,000) for projects valued between \$50 and \$100 million, a total estimate for performing the evaluations is \$2,075,000. VDOT would have to redirect funds from other priorities to accommodate this cost.

This bill will also likely create some additional administrative costs associated with holding local hearings. These costs cannot be estimated and will have to be covered within VDOT's operations.

- 9. Specific Agency or Political Subdivisions Affected:** Departments of Transportation and Rail and Public Transportation; Planning District 8.

- 10. Technical Amendment Necessary:** No

- 11. Other Comments:** VDOT notes that not all of the projects subject to the provisions of this legislation are appropriate candidates to conduct a quantitative evaluation pursuant to § 33.2-257, Code of Virginia, including paving, safety, and bridge projects.

VDOT also notes that many of the Northern Virginia projects that are intended to reduce congestion are currently being evaluated under the statewide prioritization process pursuant to § 33.2-214.1, Code of Virginia, making the evaluation under § 33.2-257, Code of Virginia, required by this legislation redundant.

In addition, according to VDOT, the second enactment of this legislation requiring projects already in detailed design as of January 1, 2016, to be evaluated under § 33.2-257, Code of Virginia, could result in project scope increases and related project cost increases.