

**VIRGINIA DEPARTMENT OF TRANSPORTATION
VIRGINIA DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION-VIRGINIA DIVISION OFFICE
FEDERAL TRANSIT ADMINISTRATION-REGION III OFFICE**

**Statewide Transportation Improvement Program (STIP) Procedures
Memorandum of Agreement**

INTRODUCTION/BACKGROUND

This document demonstrates agreement between the Federal and State agencies involved in the management of the STIP process on procedures established to streamline and effectively manage the Virginia STIP. The development of the Virginia STIP will be in accordance with 23 CFR 450.210, 450.216 and 450.220 (See Appendix B).

SUMMARY OF REQUIREMENTS AND AGREEMENTS

Development and Approval of the STIP:

Included Projects – Only projects included in the Federally approved STIP shall be eligible for funds administered by the FHWA or the FTA. The initial approval is a joint FHWA/FTA action; subsequent amendments only require joint approval if both FHWA and FTA are involved. Otherwise, the funding agency makes the approval action. Each MPO has developed a long-range transportation plan from which projects are drawn.

- Prior to inclusion of a project in the STIP, projects must be consistent with the long-range (20 year) transportation plans.
- In MPO areas, project selection and TIP approval is done by both the MPO and the State. TIP projects are then included into the STIP without change.
- Outside MPO areas, project selection is done by the State in consultation with appropriate local officials.
- The first year of the STIP is viewed as the “agreed to” list of projects selected for implementation based on the obligation limitation. If projects in the first year are delayed, projects in the subsequent three years may be advanced.

Project Information – The following information will be included for each individual project identified in the STIP to meet the minimum requirements outlined in 23 CFR 450.216:

- Project description – UPC, type of work, termini, and length
- Estimated Total Project Cost
- Amount of Federal funds proposed to be obligated during each program year, including proposed category of Federal funds and source of non-Federal funds
- Identification of the agency responsible for carrying out the project or phase
- Federal Oversight/Non-Federal Oversight Designation

Financial Constraint – The STIP must be financially constrained by year based on the anticipated obligation limitation. It must contain all projects proposed for FHWA or FTA funding.

Grouped Projects – Grouping of projects allows flexibility and reduces paperwork for programming minor projects. Projects eligible for a Categorical Exclusion (CE) may be grouped by function, work type, and/or geographic area. For air quality non-attainment/maintenance areas, only those projects that are exempt from conformity requirements may be grouped. If a project cannot qualify for a CE or be considered exempt from air quality conformity, then it must be individually listed.

For projects administered through the Federal Highway Administration: Projects qualifying under the above description will be grouped in the following categories for STIP programming purposes:

- *Transportation Enhancement/Byway/Other Non-traditional Transportation Projects (CN)* - Includes projects with scopes of work eligible for funding under the transportation enhancement program national scenic byway programs, regardless of funding source. Examples include: construction of interpretive pull-offs and overlooks; rehabilitation/restoration/reconstruction of historic buildings; tourist and welcome centers; transportation museums; pedestrian/bicycle facilities; parking facilities; wildflower plantings.
- *Rail (CN)* - Includes projects for rail/highway grade crossing improvements, regardless of funding source. Examples include: improvements to warning devices, crossing surfaces, construction of grade separation to replace existing at-grade railroad crossings at the same location.
- *Preventive Maintenance and System Preservation (MT)* - Includes the following examples of eligible work: Area wide programs for cleaning of drainage facilities, corrosion protection activities, and highway sign face cleaning; Any corrective, restorative, resurfacing, or rehabilitative/reconstruction of highway pavement which extends the service life of the pavement; Retrofitting of dowel bars; and Shoulder pulling and wedging for pavement edge drop-off mitigation.
- *Preventive Maintenance for Bridges (MT)* - Includes the eligible bridge activities outlined in the December 20, 2005 memorandum (i.e. seal/replace/reconstruction of joints, deck overlays, painting, cathodic protection, debris removal, retrofit of fracture critical members and fatigue prone details, and some concrete repairs). Includes bridge safety inspections.
- *Traffic and Safety Operations (MT)* - Includes signs, traffic signals, pavement markings and markers, guardrail, replacement/preventive maintenance of roadway lighting, maintenance/replacement/upgrade of traffic calming devices, etc.
- *Safety/ITS/Operational Improvements (CN)* - Group would include safety improvement projects such as: those qualifying for HES/HSIP funding, shoulder improvements, increasing sight distance, traffic control devices, guardrails, median barriers, pavement resurfacing/rehabilitation, pavement marking, fencing, lighting improvements, intersection channelization/signalization/reconfiguration projects, traffic calming, improvements to crossovers or clear zones, addition/extension of turn lanes, extension of acceleration/deceleration lanes,

- drainage improvements, etc. Group would also include reconstruction or minor widening on or adjacent to same alignment (no increase in capacity), improvements to and modernization of rest areas, toll facilities, and weigh stations; ITS activities; or traffic operations improvement projects; etc.
- *Bridge Rehabilitation/Replacement/Reconstruction (CN)* - Includes bridge construction projects such as: bridge or drainage structure rehabilitation, reconstruction or replacement when said work is on or adjacent to the same alignment.
 - *Federal Lands Highway (CN)* - Includes projects funded and/or administered by the Federal Lands Highway Division
 - *Forest Highway (CN)* - Includes projects funded and advanced as part of the Forest Highway program.
 - *Recreational Trails (DCR)* - Includes projects funded and advanced as part of the recreational trails program through the Department of Conservation and Recreation.

For projects administered through the Federal Transit Administration: Regardless if a project is located in an air quality non-attainment/maintenance area or an attainment area, projects that are eligible for a CE and are in accordance with projects eligible under the “exempt” project classification in EPA’s transportation conformity regulation (40 CFR part 93), may be grouped in the following categories for STIP programming purposes:

- *Transit System Preservation* - Operating assistance to transit agencies and the purchase of office, shop, and operating equipment for existing facilities. Includes preventative maintenance and non-fixed route ADA paratransit service
- *Transit Rail ROW Improvements* - Construction or renovation of power, signal, and communications systems, the rehabilitation of track structures, track, and trackbed in existing rights-of-way, and railroad/highway crossing projects.
- *Transit Vehicles* - Purchase/lease of new buses and rail cars to replace existing vehicles or for minor expansions of the fleet; rehabilitation of transit vehicles; and the purchase of support vehicles. Also includes the purchase of operating equipment for vehicles (e.g. radios, fareboxes, lifts, etc.).
- *Transit Amenities* - Construction of small passenger shelters and information kiosks; plantings, landscaping, fencing, lighting improvements, sign removal, etc.
- *Transit Ridesharing* - Continuation of ride-sharing and van-pooling promotion activities at current levels
- *Transit Access* - Bicycle and pedestrian facilities
- *Transit Engineering* - Engineering to assess social, economic, and environmental effects of proposed action or alternatives to that action

Certain types of projects that are eligible under the “exempt” category may not be grouped, and must be listed individually, thus requiring an amendment for any additions/deletions. These projects include:

- Reconstruction or renovation of transit buildings and structures (e.g., rail or bus buildings, storage and maintenance facilities, stations, terminals, and ancillary structures)
- Construction of new bus or rail storage/maintenance facilities
- Advance land acquisitions

The following information will be provided for each project group:

- Definition of project group
- Total obligation of funds by fund type, per group, per year, total group cost

Additional project groupings can be established by agreement between the state and Federal agencies.

Illustrative Projects – SAFETEA-LU provides language regarding unfunded projects. Such projects may be listed in the STIP. They are considered as information only and an approval of a separate STIP amendment is necessary to advance them as funded Federal-aid projects.

Public Involvement – Each MPO has adopted its own public involvement procedures for various planning activities. The State has adopted a process for those projects outside of MPO's. The appropriate procedures for the project's geographic area are used when an activity triggers public involvement, such as the inclusion of a new individual project into the STIP.

Processing Program Amendments and Administrative Modifications

As permitted by 23 CFR 450.216(g), this agreement establishes procedures to streamline amendments to the STIP. The following parameters will be applied to define actions to be taken on various types of program modifications. The STIP may be amended at any time under procedures agreed to by the cooperating parties considering basic STIP requirements listed previously.

For projects administered through the Federal Highway Administration: The STIP sliding scale establishes limits where STIP amendments will be required. The requested amount for authorization must be within the total estimated cost identified for the project for the specific phase being authorized. The STIP sliding scale is also applicable to the total estimate for grouped line items.

The current sliding scale is:

STIP Estimate Amount (millions)	Limit Requiring Amendment
Up to \$2	100%
> \$2 to \$10	50%
> \$10 to 20	25%
>\$20 to \$35	15%
>\$35	10% not to exceed \$10 million

For projects administered through the Federal Transit Administration: A STIP amendment will be required for any project added/deleted to/from the STIP that exceeds \$1 million in rural areas or small MPOs, \$2 million in Transportation Management Areas (MPOs with populations greater than 200,000 – Hampton Roads, Richmond, Northern and Virginia). If added/deleted projects fall under the \$1 million/\$2 million threshold they may be grouped by category and additions/deletions to the STIP may be processed as STIP adjustments. Although projects may be grouped in categories for the purposes of STIP adjustment processing, each added project must be listed individually in the STIP, with each following the project information criteria.

Amendment – Amendments include, but are not limited to: addition or deletion of a project from the approved STIP, change in project phasing, funding changes greater than allowable under the sliding scale, advancement of a project from beyond the four required years of the STIP, significant change in project description or scope (i.e. number of lanes, typical section, termini), or any change which is not air quality neutral. Amendments will require Federal approval before project authorization. Amendment documentation shall demonstrate impact on financial constraint of the STIP/TIP in the amendment request. An amendment consisting of a new individual project for inclusion into the TIP/STIP by the MPO and/or State is subject to fiscal constraint, public involvement, and FHWA/FTA approval. In non-attainment or maintenance areas, non-exempt project amendments trigger a new conformity finding.

Administrative Modifications (also known as Adjustments) – Administrative modifications include, but are not limited to: minor changes in project description, advancement of activities from year two, three, or four of the STIP, funding changes less than the thresholds established in the sliding scale, minor changes within project phase (i.e. from environmental document to preliminary design). Adjustments may be made by the State without Federal approval. The State shall provide documentation of adjustments to the appropriate Federal agency. If the State is uncertain whether a proposed change qualifies as an administrative modification, the appropriate Federal agency should be consulted prior to taking the action.

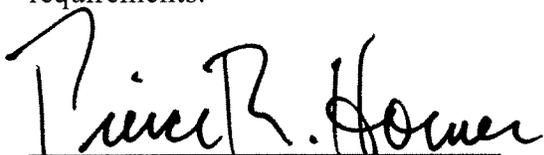
This agreement does not relieve the State from the responsibility to involve affected MPOs in the STIP amendment and modification processes.

IMPLEMENTATION

The procedures established in the Memorandum of Agreement will be implemented on the date of execution of this agreement. This agreement does not impact project phases authorized based on previous approved STIP documents.

AGREEMENT MODIFICATIONS

It may be necessary to amend this agreement at any time should essential modifications become apparent to any party. The parties agree that there will be periodic reviews of this agreement to reflect changes in Federal and State laws, regulations, and requirements.


Secretary of Transportation


for Federal Highway Administration
Division Administrator

Date: 4/9/08

Date: 3/11/08


Federal Transit Administration
Regional Administrator

Date: 3/26/08

APPENDIX A – Definitions and Glossary

APPENDIX B -23CFR 450.210, 450.216 and 450.220

APPENDIX A

DEFINITIONS

TIP

The Transportation Improvement Program (TIP) is a staged, multi-year, intermodal program of all FHWA/FTA-funded transportation projects which is consistent with each Metropolitan Planning Organization's (MPO) metropolitan transportation plan

STIP

The Statewide Transportation Improvement Program (STIP) is a complete list and description of all FHWA/FTA-funded transportation projects that are to be advanced by year for the next four year period. Projects contained in the STIP should be consistent with the Statewide transportation plan and planning processes and metropolitan plans, TIPs and processes. The State must submit the entire proposed STIP to FHWA and FTA for joint approval at least every four years and amendments can be submitted at any time.

The TIPs and STIP shall include all capital and non-capital projects (i.e. transit operations) or phases of project development which are targeted to use FHWA and/or FTA funding. The STIP also includes all regionally-significant transportation projects requiring Federal approval or permits even if no FHWA or FTA funds are to be used in their construction. A regionally-significant project is generally defined as a project on a facility which serves regional transportation needs. The public must be provided ample opportunity for involvement in the development of the TIPs and STIP.

GLOSSARY

SAFETEA-LU:	Safe, Accountable, Flexible, Efficient Transportation Equity Act – A Legacy for Users
MPO:	Metropolitan Planning Organization
STIP:	Statewide Transportation Improvement Program
TIP:	Transportation Improvement Program
FHWA:	Federal Highway Administration
FTA:	Federal Transit Administration
CFR:	Code of Federal Regulations
CE:	Categorical Exclusion
MT:	Maintenance Program
CN:	Construction Program
DCR:	Department of Conservation & Recreation

APPENDIX B

23 CFR 450.212 Interested parties, public involvement, and consultation

(a) In carrying out the statewide transportation planning process, including development of the long-range statewide transportation plan and the STIP, the State shall develop and use a documented public involvement process that provides opportunities for public review and comment at key decision points.

(1) The State's public involvement process at a minimum shall:

(i) Establish early and continuous public involvement opportunities that provide timely information about transportation issues and decisionmaking processes to citizens, affected public agencies, representatives of public transportation employees, freight shippers, private providers of transportation, representatives of users of public transportation, representatives of users of pedestrian walkways and bicycle transportation facilities, representatives of the disabled, providers of freight transportation services, and other interested parties;

(ii) Provide reasonable public access to technical and policy information used in the development of the long-range statewide transportation plan and the STIP;

(iii) Provide adequate public notice of public involvement activities and time for public review and comment at key decision points, including but not limited to a reasonable opportunity to comment on the proposed long-range statewide transportation plan and STIP;

(iv) To the maximum extent practicable, ensure that public meetings are held at convenient and accessible locations and times;

(v) To the maximum extent practicable, use visualization techniques to describe the proposed long-range statewide transportation plan and supporting studies;

(vi) To the maximum extent practicable, make public information available in electronically accessible format and means, such as the World Wide Web, as appropriate to afford reasonable opportunity for consideration of public information;

(vii) Demonstrate explicit consideration and response to public input during the development of the long-range statewide transportation plan and STIP;

(viii) Include a process for seeking out and considering the needs of those traditionally underserved by existing transportation systems, such as low-income and minority households, who may face challenges accessing employment and other services; and

(ix) Provide for the periodic review of the effectiveness of the public involvement process to ensure that the process provides full and open access to all interested parties and revise the process, as appropriate.

(2) The State shall provide for public comment on existing and proposed processes for public involvement in the development of the

long-range statewide transportation plan and the STIP. At a minimum, the State shall allow 45 calendar days for public review and written comment before the procedures and any major revisions to existing procedures are adopted. The State shall provide copies of the approved public involvement process document(s) to the FHWA and the FTA for informational purposes.

(b) The State shall provide for non-metropolitan local official participation in the development of the long-range statewide transportation plan and the STIP. The State shall have a documented process(es) for consulting with non-metropolitan local officials representing units of general purpose local government and/or local officials with responsibility for transportation that is separate and discrete from the public involvement process and provides an opportunity for their participation in the development of the long-range statewide transportation plan and the STIP. Although the FHWA and the FTA shall not review or approve this consultation process(es), copies of the process document(s) shall be provided to the FHWA and the FTA for informational purposes.

(1) At least once every five years (as of February 24, 2006), the State shall review and solicit comments from non-metropolitan local officials and other interested parties for a period of not less than 60 calendar days regarding the effectiveness of the consultation process and any proposed changes. A specific request for comments shall be directed to the State association of counties, State municipal league, regional planning agencies, or directly to non-metropolitan local officials.

(2) The State, at its discretion, shall be responsible for determining whether to adopt any proposed changes. If a proposed change is not adopted, the State shall make publicly available its reasons for not accepting the proposed change, including notification to non-metropolitan local officials or their associations.

(c) For each area of the State under the jurisdiction of an Indian Tribal government, the State shall develop the long-range statewide transportation plan and STIP in consultation with the Tribal government and the Secretary of Interior. States shall, to the extent practicable, develop a documented process(es) that outlines roles, responsibilities, and key decision points for consulting with Indian Tribal governments and Federal land management agencies in the development of the long-range statewide transportation plan and the STIP.

23 CFR 450.216 – Development and content of statewide transportation improvement programs (STIP)

(a) The State shall develop a statewide transportation improvement program (STIP) for all areas of the State. The STIP shall cover a period of no less than four years and be updated at least every four years, or more frequently if the Governor elects a more frequent update cycle. However, if the STIP covers more than four years, the FHWA and the FTA

will consider the projects in the additional years as informational. In case of difficulties developing a portion of the STIP for a particular area (e.g., metropolitan planning area, nonattainment or maintenance area, or Indian Tribal lands), a partial STIP covering the rest of the State may be developed.

(b) For each metropolitan area in the State, the STIP shall be developed in cooperation with the MPO designated for the metropolitan area. Each metropolitan transportation improvement program (TIP) shall be included without change in the STIP, directly or by reference, after approval of the TIP by the MPO and the Governor. A metropolitan TIP in a nonattainment or maintenance area is subject to a FHWA/FTA conformity finding before inclusion in the STIP. In areas outside a metropolitan planning area but within an air quality nonattainment or maintenance area containing any part of a metropolitan area, projects must be included in the regional emissions analysis that supported the conformity determination of the associated metropolitan TIP before they are added to the STIP.

(c) For each non-metropolitan area in the State, the STIP shall be developed in consultation with affected non-metropolitan local officials with responsibility for transportation using the State's consultation process(es) established under Sec. 450.210.

(d) For each area of the State under the jurisdiction of an Indian Tribal government, the STIP shall be developed in consultation with the Tribal government and the Secretary of the Interior.

(e) Federal Lands Highway program TIPs shall be included without change in the STIP, directly or by reference, once approved by the FHWA pursuant to 23 U.S.C. 204(a) or (j).

(f) The Governor shall provide all interested parties with a reasonable opportunity to comment on the proposed STIP as required by Sec. 450.210(a).

(g) The STIP shall include capital and non-capital surface transportation projects (or phases of projects) within the boundaries of the State proposed for funding under title 23 U.S.C. and title 49 U.S.C. Chapter 53 (including transportation enhancements; Federal Lands Highway program projects; safety projects included in the State's Strategic Highway Safety Plan; trails projects; pedestrian walkways; and bicycle facilities), except the following that may (but are not required to) be included:

(1) Safety projects funded under 23 U.S.C. 402 and 49 U.S.C. 31102;

(2) Metropolitan planning projects funded under 23 U.S.C. 104(f), 49 U.S.C. 5305(d), and 49 U.S.C. 5339;

(3) State planning and research projects funded under 23 U.S.C. 505 and 49 U.S.C. 5305(e);

(4) At the State's discretion, State planning and research projects funded with National Highway System, Surface Transportation Program, and/or Equity Bonus funds;

(5) Emergency relief projects (except those involving substantial

functional, locational, or capacity changes);

(6) National planning and research projects funded under 49 U.S.C. 5314; and

(7) Project management oversight projects funded under 49 U.S.C. 5327.

(h) The STIP shall contain all regionally significant projects requiring an action by the FHWA or the FTA whether or not the projects are to be funded with 23 U.S.C. Chapters 1 and 2 or title 49 U.S.C. Chapter 53 funds (e.g., addition of an interchange to the Interstate System with State, local, and/or private funds, and congressionally designated projects not funded under title 23 U.S.C. or title 49 U.S.C. Chapter 53). For informational and conformity purposes, the STIP shall include (if appropriate and included in any TIPs) all regionally significant projects proposed to be funded with Federal funds other than those administered by the FHWA or the FTA, as well as all regionally significant projects to be funded with non-Federal funds.

(i) The STIP shall include for each project or phase (e.g., preliminary engineering, environment/NEPA, right-of-way, design, or construction) the following:

(1) Sufficient descriptive material (i.e., type of work, termini, and length) to identify the project or phase;

(2) Estimated total project cost, or a project cost range, which may extend beyond the four years of the STIP;

(3) The amount of Federal funds proposed to be obligated during each program year (for the first year, this includes the proposed category of Federal funds and source(s) of non-Federal funds. For the second, third, and fourth years, this includes the likely category or possible categories of Federal funds and sources of non-Federal funds); and

(4) Identification of the agencies responsible for carrying out the project or phase.

(j) Projects that are not considered to be of appropriate scale for individual identification in a given program year may be grouped by function, work type, and/or geographic area using the applicable classifications under 23 CFR 771.117(c) and (d) and/or 40 CFR part 93. In nonattainment and maintenance areas, project classifications must be consistent with the "exempt project" classifications contained in the EPA's transportation conformity regulation (40 CFR part 93). In addition, projects proposed for funding under title 23 U.S.C. Chapter 2 that are not regionally significant may be grouped in one line item or identified individually in the STIP.

(k) Each project or project phase included in the STIP shall be consistent with the long-range statewide transportation plan developed under Sec. 450.214 and, in metropolitan planning areas, consistent with an approved metropolitan transportation plan developed under Sec. 450.322.

(l) The STIP may include a financial plan that demonstrates how the approved STIP can be implemented, indicates resources from public and private sources that are reasonably expected to be made available to

carry out the STIP, and recommends any additional financing strategies for needed projects and programs. In addition, for illustrative purposes, the financial plan may (but is not required to) include additional projects that would be included in the adopted STIP if reasonable additional resources beyond those identified in the financial plan were to become available. The State is not required to select any project from the illustrative list for implementation, and projects on the illustrative list cannot be advanced to implementation without an action by the FHWA and the FTA on the STIP. Starting December 11, 2007, revenue and cost estimates for the STIP must use an inflation rate(s) to reflect "year of expenditure dollars," based on reasonable financial principles and information, developed cooperatively by the State, MPOs, and public transportation operators.

(m) The STIP shall include a project, or an identified phase of a project, only if full funding can reasonably be anticipated to be available for the project within the time period contemplated for completion of the project. In nonattainment and maintenance areas, projects included in the first two years of the STIP shall be limited to those for which funds are available or committed. Financial constraint of the STIP shall be demonstrated and maintained by year and shall include sufficient financial information to demonstrate which projects are to be implemented using current and/or reasonably available revenues, while Federally-supported facilities are being adequately operated and maintained. In the case of proposed funding sources, strategies for ensuring their availability shall be identified in the financial plan consistent with paragraph (l) of this section. For purposes of transportation operations and maintenance, the STIP shall include financial information containing system-level estimates of costs and revenue sources that are reasonably expected to be available to adequately operate and maintain Federal-aid highways (as defined by 23 U.S.C. 101(a)(5)) and public transportation (as defined by title 49 U.S.C. Chapter 53).

(n) Projects in any of the first four years of the STIP may be advanced in place of another project in the first four years of the STIP, subject to the project selection requirements of Sec. 450.220. In addition, the STIP may be revised at any time under procedures agreed to by the State, MPO(s), and public transportation operator(s) consistent with the STIP development procedures established in this section, as well as the procedures for participation by interested parties (see Sec. 450.210(a)), subject to FHWA/FTA approval (see Sec. 450.218). Changes that affect fiscal constraint must take place by amendment of the STIP.

(o) In cases that the FHWA and the FTA find a STIP to be fiscally constrained and a revenue source is subsequently removed or substantially reduced (i.e., by legislative or administrative actions), the FHWA and the FTA will not withdraw the original determination of fiscal constraint. However, in such cases, the FHWA and the FTA will not act on an updated or amended STIP that does not reflect the changed revenue situation.