

LAND OF SKY

RURAL PLANNING RURAL ORGANIZATION

RPO Technical Coordinating Committee

Virtual Meeting via the Zoom Platform

September 9, 2021 – 10:00 A.M.

Minutes

Remote Attendance:

Chair William High	Vicki Eastland	April Alm	Troy Wilson
Steve Williams	Stephen Sparks	Vicki Jennings	Wanda Austin
Brendan Merithew	Hannah Cook	Daniel Sellers	Aaron Bland
Lonnie Watkins	Forrest Gilliam	Marshall Williams	Christ Medlin
Erica Anderson			

In-Person Attendance at Land of Sky Office:

Zia Rifkin (minutes)

WELCOME AND HOUSEKEEPING

Chair High called the meeting to order at approximately 10:05am, welcomed everyone attending remotely and in-person, and roll was called. A quorum was announced to conduct business.

PUBLIC COMMENT

CONSENT AGENDA

Aaron Bland moved to approve the consent agenda, consisting of the agenda and the June 10, 2021, TCC minutes. Forrest Gilliam seconded, and the motion passed upon a roll call vote, and without further discussion.

RPO BUSINESS

Rural Transit Providers FTA 5310 Elderly and Persons Living w/Disabilities Application & RPO Letters of support:

NCDOT Public Transit Division (PTD) requires public transit providers to reach out to their MPO/RPO planning partners for letters of support for their applications for Federal Transit Agency (FTA) Section 5310 funds. The (FTA) **Section 5310 Enhanced Mobility for Seniors and Individuals with Disabilities** provides funds for programs and projects that aim to improve mobility for seniors and individuals with disabilities by removing barriers to transportation services and expanding mobility options.

There is no action required today, this is just a reminder that LOSRPO will provide the transit systems and any other eligible applicant with a letter of support from the LOSRPO. Vicki Eastland noted that Land of Sky's Senior Companion Program does intend to apply for 5310 funding for Madison and Transylvania Counties.

Information only. No action requested at this time.

NCDOT STIP Program Update:

Prioritization or SPOT is the process used to determine what projects from long-range plans will be moved to the State Transportation Improvement Program, the STIP. The process is governed by the Strategic Transportation Investments Act of 2012 (STI).

The State Prioritization workgroup at their July meeting reached a consensus that new projects would not be programmed through the current ongoing round of Prioritization SPOT 6.0 or P6.0 due to limited funding projected to be available in the 2024-2033 timeframe. The lack of projected available funding is largely due to cost increases of transportation projects committed in the STIP.

Basically, this means that P6.0 is halted. The SPOT Office will release the Quantitative Scores of projects submitted in P6.0 to help evaluate criteria and weights but no Local Input Points will be applied because no projects can be programmed while the SPOT process is halted.

While there will be no new projects programmed from P6.0, the state is required to develop a new STIP. The State Prioritization Workgroup will continue to meet and help to determine the process used to develop the STIP. This could include changes in scheduling or phasing of committed projects, as well as other considerations.

Wanda Austin, PE, NCDOT Division 14 Division Engineer provided an update on the NCDOT STIP Program. She shared the background on the STIP Program including that project estimates can have cost increases over time for many reasons including limited knowledge of projects at the early stage when project is scored and programmed. A cost-based estimating tool is used when projects are initially entered into the SPOT process, which does not consider project-specific details. In the summer of 2020, NCDOT went through a reprogramming process due to cashflow issues. During the reprogramming process, NCDOT realized that there was a need to improve accuracy of cost estimates for projects. The cost estimation improvement process resulted from a workgroup of NCDOT staff, who reviewed existing cost estimation process and made recommendations for improvements. Currently, NCDOT is ensuring that cost estimations are updated every two years and at other appropriate times.

Wanda Austin shared about the STIP cost estimation review, which is intended to create a level playing field for all projects. She noted that there have been substantial cost increases for right-of-way (ROW) acquisition, construction, and utilities relocation. Division Engineers are required to approve each of the cost estimates for projects currently in the STIP. She noted that both Division 13/14 are over programmed in the STIP, with an additional \$573 million needed to complete programmed projects. A portion of the STIP allows projects to be over-programmed by 10% and allows for a 1% inflation factor. Wanda Austin noted that it is important to remember that this is not an imminent problem to be taken care of today, this week or next month. A plan needs to be developed to address the STIP being over-programmed. NCDOT has taken several things to the Board of Transportation (BOT) to consider including the rate of inflation, which is accounted for in the STIP by reducing available revenue to program projects. Additionally, the inflation amount is evaluated as each new STIP development process is undertaken. Currently, revenue is reduced by \$1 Billion. Items from the STI Prioritization

Workgroup has also been discussed with BOT. the STI law directs NCDOT to use a workgroup process to develop improvements to prioritization and states the department can have no more than 50% representation. The workgroup provides recommendations to the BOT for consideration and approval.

Wanda Austin shared that the workgroup had a meeting on August 26, 2021, to discuss next steps including that the overall goal was to determine a solution that would allow for new projects in P7; federal infrastructure bill and inflation updates; timeline and expectations over the next 12-18 months; projects that are "held harmless;" and to brainstorm ideas around how to evaluate committed projects. She noted that there is about a year to develop a plan. Division 14 staff and partners will begin having conversations over the next couple of months regarding currently funded projects, committed projects and to brainstorm ideas, and working with partners to determine important projects for a region and how priorities might have changed since this situation began. Conversations may include the best use of available funding. Key takeaways include that the general agreement that the 2024-2033 STIP will consist of subsets of existing committed projects from the 2020-2029 STIP; concerns over how NCDOT remains competitive in grant and discretionary spending programs; a need for direction on inflation to assist with future revenue estimates and a general desire that a quantitative approach be used to guide the decisions with flexibility/guidance from the local partners including a public engagement process. Lastly, Wanda Austin shared a information about the 2024-2033 STIP development schedule that includes the process concluding in September of 2023.

Vicki Eastland commented on the available funding for Region G (Divisions 13/14) for committed and funded projects. With the divisions being over-programmed, committed projects may not get built for 30 years. Looking statewide, while the RPO has not generally benefited from statewide projects, there are two interstate corridors in the RPO region. Even with the elimination of all the non-committed projects and keeping committed projects (first five years of the STIP), it would still be almost 20 years committed into the future. It's much better in Division 14, but that division still has many millions of dollars hanging out there and with the inflation rate (1%), over five years, that equals a billion dollars over budget. She noted that it was important for TCC members to hear this information because the traditional "once committed, always committed" may not hold true any longer and the "hold harmless" provision may be instituted, and local jurisdictions may be asked to reevaluate projects and to prioritize those again.

Daniel Sellers commented that the \$7 billion overage is only for committed projects in the STIP.

Vicki Eastland encouraged TCC members to provide input to help her guide this process as part of the STIP Workgroup. TCC members can reach out any time.

Daniel Sellers shared that it may take 15-20 years, and there may be a need to address deficiencies in non-construction ways (tele-working, businesses and peak spreading, etc.). He noted that while this is an unpopular position, it should receive consideration.

Information only. No action requested.

NCDOT Value Assessment/Cost Containment Initiative

With cost estimates and project costs continuing to increase. NCDOT has implemented a Value Assessment Initiative to reduce project costs by 10%. Each Project Team will consider Cost Containment measures to reduce the Construction and long-term Maintenance costs for a project in Development. These costs may include direct Construction costs, Right of Way (ROW) costs, and Utility relocation costs. Cost Containment is important to ensure the ability of NCDOT to maintain fiscal responsibility, and better meet programming goals for the benefit of North Carolina.

Hannah Cook, PE, Division 13 Planning Engineer provided an overview of the Value Assessment/Cost Containment Initiative. She shared that the goal of cost containment is to reduce project costs by 10% and maintain fiscal integrity within the Department. Hannah noted that Value Engineering is FHWA's 7-step process, required on all projects that cost over \$50 million. Value Assessment does not have a prescribed process but includes cost containment ideas. Value Assessment is coordinated by PM/Leads and is required on projects that cost over \$5 million. Value Engineering looks at adding value to a project and could increase costs. Hannah Cook reviewed definitions including "total cost", which includes all project costs (Preliminary Engineering, ROW, utility relocation, construction, etc.). She reviewed the Department's history of Value Assessment, noting that Value Engineering/Value Assessment began March 2021 with 14 projects across the state. Phase II of the process began in early April and Phase III began in mid-May. She noted that from Phase I to II, the Department identified trends and updated the guidance used moving forward. Third-party firms were employed for the projects reviewed, providing a third-party perspective. Phase IV included thirty-five projects that are on the 16-24 month Let List with assessments by the third-party firms completed July 23 and reviews by Project Managers and District Engineers completed by August 23. She noted that the I-40 interchange project in Black Mountain was a project reviewed in Phase I. Additional projects have been reviewed in the region including bridge projects.

Hannah Cook reviewed the process that third-party Value Assessment firms take when reviewing projects including reviewing project information, identifying the purpose and need and completing a project breakdown to identify the project functions, attributes, stakeholders, commitments, etc.; then potential cost saving ideas are brainstormed. Next, an evaluation of the ideas is made regarding feasibility, cost savings, and whether the project will still meet the purpose and need. Finally, the firm develops the recommended ideas, to meet the purpose of Value Assessment, which is to determine function: what for the project need and what is the purpose of the project? She noted that department-wide Value Assessment is planned on additional projects, incorporating this process into the 2.01 version that will come out, including scalable documents for the management and delivery of projects to maintain a logical progression. Cost containment will become a standard part of the design process.

Information only. No action requested.

REGULAR UPDATES

NCDOT Divisions 13 and 14 provided construction and project development updates. The Transportation Planning Division (TPD) provided an update. LOSRPO Staff provided an update.

PUBLIC COMMENT

No public comments were received.

ADJOURNMENT-

Chair High adjourned the meeting at 11:01am as there was no further business.