I-66 NEEDS ASSESSMENT:

Optimizing the Use of Toll Revenues for Transit and Rail Projects in the I-66 Corridor

Executive Summary

Prepared For

NVTC NORTHERN VIRGINIA TRANSPORTATION COMMISSION

DRPT

Prepared By

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Overview

Toll revenues from the I-66 corridor have ***funded nearly $115 million in transit and multimodal improvements*** to date through the Northern Virginia Transportation Commission's (NVTC) I-66 Commuter Choice *Inside the Beltway* and the Department of Rail and Public Transportation's (DRPT) I-66 *Outside the Beltway* programs. However, changing travel patterns and infrastructure built in the past ten years require an updated evaluation of future needs along the corridor. With ***approximately $1 billion to be distributed through future annual payments***, NVTC and DRPT are working to better understand travel trends and potential projects that could provide the greatest benefit to travelers along the I-66 corridor in the future.

Study Purpose

This needs assessment serves as a tool to help NVTC, DRPT and local jurisdictional staff plan for future grant cycles. By compiling the I-66 Needs Assessment Project List, which integrates projects planned by local jurisdictions as well as supplements gaps in those projects based on predicted growth and travel, this study provides a foundation from which high impact projects can be considered for future funding. It also allows NVTC and DRPT staff to assess potential funding risks, any mismatches based on planned projects and funding outlays, and make policy changes that strategically align funding with needs along the corridor.

Key Takeaways

This study identifies key takeaways based on stakeholder feedback, projected growth and travel patterns, the identified list of projects, and financial modelling scenarios. The full report includes more details about stakeholder engagement, existing and future conditions, the I-66 Needs Assessment Project List, and investment pipeline. The following is a high-level summary of the study's key takeaways:

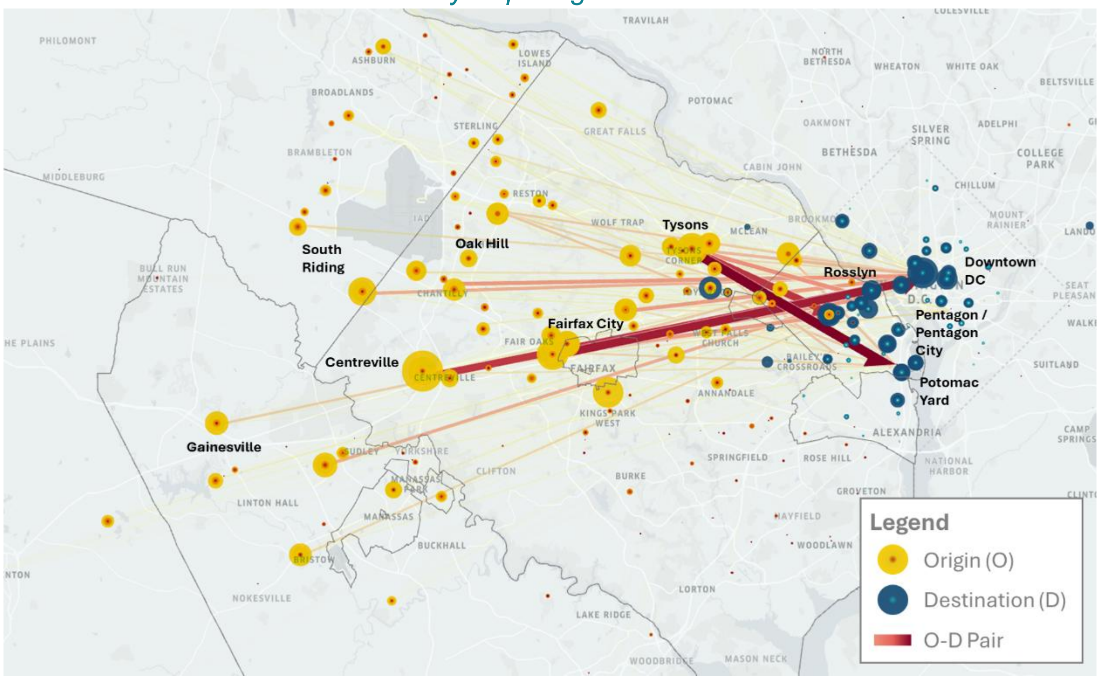
Stakeholders see opportunities in coordinated planning efforts across jurisdictions

- US 29, US 50, Metro Rail Orange and Silver Lines, and the VRE Manassas Line serve as important alternatives to traveling on I-66.
- Planned bus rapid transit (BRT) projects represent an opportunity to make meaningful investments in longer-term, transformational mobility projects.
- There is an opportunity for strategic, multi-agency coordination to maximize the benefits of investments regardless of jurisdiction size.

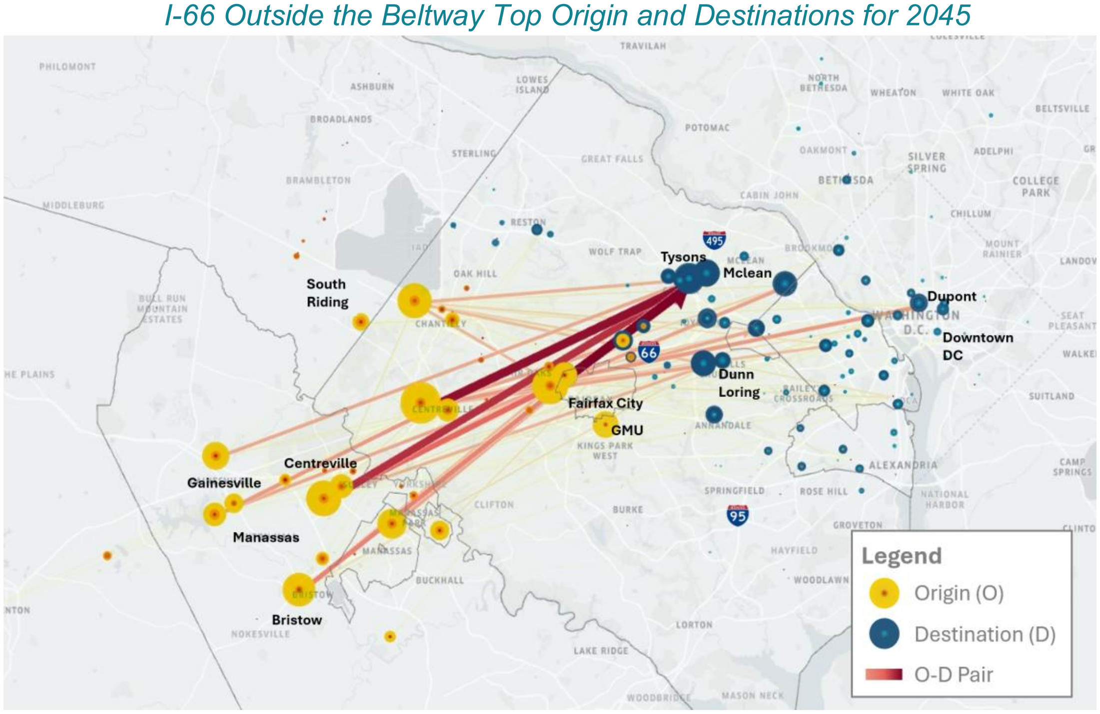
Future growth is shifting west, and more travel is happening outside of peak periods

- Transit and vehicular travel in the I-66 corridor have largely recovered since the pandemic but has also shifted to higher single occupancy vehicle usage and more dispersed peak periods.
- Future growth will expand travel markets farther west, with Tysons, Herndon, and Innovation Center (in Prince William County) experiencing both population and employment growth that require new transportation connections.

I-66 Inside the Beltway Top Origins and Destinations for 2045



I-66 Outside the Beltway Top Origin and Destinations for 2045

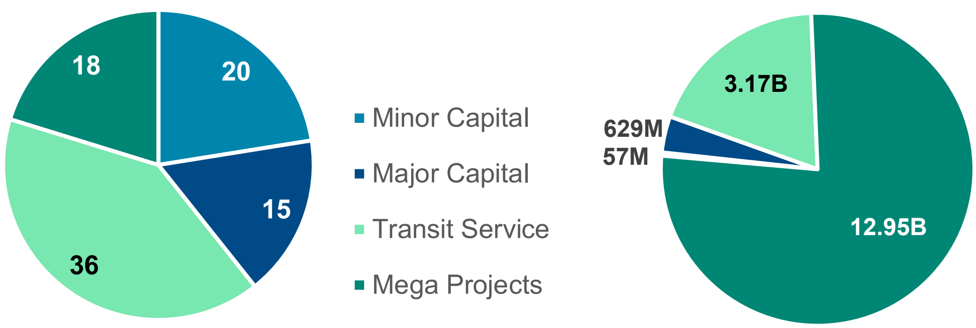


(Source: MWCOG Model Route 10.0 Cooperative Forecast, AM Period)

The funding needed for identified projects far exceeds the amount available

- Between 2026 and 2057, there is approximately $3.2 billion in projected demand for transit and rail operating projects as well as $13.6 billion of projected demand for capital investments in the corridor. The $16.8 billion need reflects 89 projects, including 38 operating projects and 51 capital projects.
- Over half of the projects (47) are potentially eligible for both funding programs; NVTC and DRPT should coordinate on which projects could fit best within their respective programs.
- Operating demand is relatively consistent over the program lifespans, with new and enhanced bus projects representing the most common project type.

Project Type and Cost (in 2026 dollars) Distribution



How funding is allocated impacts each program's ability to fund certain project types

- $1 billion is available to invest in future projects in the corridor.
- There are opportunities to strategically use the two grant funding programs to implement planned projects that address identified demand.
- Tradeoffs must be made on funding large capital projects versus ongoing transit operations, as focusing too heavily on one project type could hinder funding for the other.

Summary of Tradeoffs Based on Modeled Funding Scenarios

	Scenario Name	Best to	Limits
1	***Operating Spending Status Quo***	Continue supporting smaller capital and ongoing transit operations	Funding for major or mega capital projects
2	***Maximize Transit Operations Spending***	Fund a greater share of operating expenditures than present	Funding for all types of capital projects
3	***Fund Larger Projects with Debt Financing***	Make significant capital investments in major and mega capital projects	Lower amount of overall funding for projects, need to pay financing costs
3A	***Fund Near-Term Larger Projects with Debt Financing***	Earlier significant capital investments in major and mega capital projects	Lower amount of overall funding for projects, need to pay financing costs
4	***Fund Larger Projects with Funding Reserve***	Periodically fund larger capital projects	Purchasing power loss due to inflation

Policy Considerations

The policy considerations differ for the NVTC-administered I-66 Inside the Beltway (ITB) corridor, which has a longer history of grantmaking and program administration guidelines, compared to the DRPT-administered I-66 Outside the Beltway (OTB) corridor, which is newer and is less known by jurisdictional staff. All policy considerations listed below are for discussion purposes and do not represent a recommendation at this time.

I-66 Inside the Beltway Commuter Choice (Administered by NVTC)

The growing momentum to advance BRT projects as well as rail infrastructure and service improvements throughout the region, which are often multi-jurisdictional and require substantial funding, indicates a potential need to ***optimize funding for larger projects***. Additionally, the variety of eligible projects and their varied impact on person throughput, a key goal of the program, presents an opportunity to ***streamline policies to support the best performing projects***. Potential changes should also consider the ***unique role Commuter Choice plays in providing funding for transit operations***.

The following policy changes would need to be approved through an action by NVTC prior to implementation or may require updates to the memorandum of agreement. The list of policy changes below are not intended to be final recommendations and serve as a starting point for further consideration by NVTC staff and Commissioners.

- ***ITB-A.*** Raise project funding limit above $20 million
- ***ITB-B.*** Expressly support project development activities
- ***ITB-C.*** Use debt financing to help fund large capital projects
- ***ITB-D.*** Create a set-aside or reserve fund for large capital projects
- ***ITB-E.*** Revise the 2-year obligation and 5-year expenditure deadlines
- ***ITB-F.*** Remove the 50% cap on transit operating funding
- ***ITB-G.*** Explore parameters around project types that have historically had lower throughput increases
- ***ITB-H.*** Examine funding match requirements

I-66 Outside the Beltway (Administered by DRPT)

Through the stakeholder engagement, many potential applicants were (re)introduced to the I-66 Outside the Beltway program and the types of projects that could be eligible for funding in the future. Many of the policy changes relate to ***better advertising and promoting the program*** as well as ***incentivizing larger projects*** that have the greatest impact on travel through the corridor.

OTB-A. Use debt financing to help fund large capital projects

OTB-B. Incentivize large regional collaboration through scoring or match percentage

OTB-C. Improve clarity and promotion of the Outside the Beltway program's availability and administration

Conclusion

The I-66 corridor in Northern Virginia is an important link for residents and visitors to access destinations throughout the region. Travel demand along the corridor is expected to continue growing in response to ongoing residential development and employment growth. In anticipation of this growth, jurisdictions and transit providers have identified a wide range of projects designed to offer more convenient, reliable, and flexible transportation options. These projects, captured in the I-66 Needs Assessment Project List, represent approximately $16.8 billion in funding demand in the corridor, far exceeding the funding availability of the program (~$1 billion). Many of these projects are large and complex, highlighting the need for strategic planning and continued coordination between NVTC and DRPT and project sponsors. Evaluating different financial approaches and policy changes, and their tradeoffs and opportunities, can support decision making that shapes investments of the Inside the Beltway and Outside the Beltway programs and fund projects that provide the most benefits throughout the I-66 corridor.