



HARRISONBURG | VA
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August 26, 2025, City Council Meeting

Title

VDOT Revenue Sharing Grant Resolution of Support

Summary

Consideration of a VDOT Revenue Sharing Grant Resolution of Support for the I-81 Exit 243 Interchange Improvements Project.

Recommendation

Public Works recommends that the City Council approve the Resolution of Support.

Fiscal Impact

The VDOT Revenue Sharing program is a 50/50 grant program, and with this \$1,000,000 request, the City would be required to provide \$1,000,000 in matching funds.

Context & Analysis

In 2021 the City was awarded a VDOT SmartScale grant for the I-81 Exit 243 Interchange Improvement project. The project will increase capacity at the interchange by constructing dual left turn lanes in the southbound and eastbound directions, as well as adding sidewalks on the westside of S. Main St.

Following the award, the City began the engineering phase of the project, which has progressed to the 50% phase of design. As part of the 50% design an updated construction cost estimate was created, and it was found that the project cost had increased significantly. The City and VDOT have reviewed the cost estimate and determined that a combination of imprecise planning assumptions and inflation was the cause of the increase.

To address the project deficit, VDOT and the City investigated various funding remedies to close the deficit. It was determined that VDOT could provide an additional \$1,800,000 in project funding, however a deficit of \$2,000,000 still remained. Public Works in discussion with the City Managers Office and Finance Department determined that a Revenue Sharing application was the most feasible approach to securing the additional project funds. The Revenue Sharing program is

a 50/50 grant program, which for this project would only require the City to provide \$1,000,000, with the Revenue Sharing program providing the additional \$1,000,000.

If the City Council supports this Resolution of Support, Public Works will formally submit the grant application this fall and, if awarded, funds will be available in FY27. The current project schedule has construction starting mid-2027/early 2028.

Options

1. Approve the Resolution of Support
2. Do not approve the Resolution of Support, which will require Public Works to investigate alternative means of project funding.

Attachments

1. Presentation
2. Resolution of Support