

**A G E N D A**

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**METRO**

**Agenda**

MEETING: METRO COUNCIL WORK SESSION MEETING  
DATE: March 9, 2004  
DAY: Tuesday  
TIME: 1:00 PM  
PLACE: Metro Council Chamber

**CALL TO ORDER AND ROLL CALL**

- |                |           |   |                 |
|----------------|-----------|---|-----------------|
| <b>1:00 PM</b> | <b>1.</b> | <b>DISCUSSION OF AGENDA FOR COUNCIL<br/>REGULAR MEETING, MARCH 11, 2004</b> |                 |
| <b>1:15 PM</b> | <b>2.</b> | <b>ECOSYSTEM SERVICE PROJECT</b>  | <b>Ketcham</b>  |
| <b>2:00 PM</b> | <b>3.</b> | <b>CONTINUATION OF MTIP POLICY DIRECTION<br/>DISCUSSION</b>                 | <b>Leybold</b>  |
| <b>2:30 PM</b> | <b>4.</b> | <b>KEY PLANNING ISSUES FOR 05-10 RSWMP</b>                                  | <b>Matthews</b> |
| <b>3:30 PM</b> | <b>5.</b> | <b>CITIZEN COMMUNICATION</b>  |                 |
| <b>3:40 PM</b> | <b>6.</b> | <b>CHIEF OPERATING OFFICER COMMUNICATION</b>                                |                 |
| <b>3:50 PM</b> | <b>7.</b> | <b>COUNCILOR COMMUNICATION</b>  |                 |

**ADJOURN**

Agenda Item Number 2.0

***ECOSYSTEM SERVICE PROJECT***

Metro Council Work Session  
Tuesday, March 9, 2004  
Metro Council Chamber

## **METRO COUNCIL**

### **Work Session Worksheet**

**Presentation Date:** 3/9/04

**Time:** 1:15 pm\_

**Length:** 45minutes

**Presentation Title:** City of Portland's Ecosystem Services Project

**Department:** Planning

**Presenters:** Jim Middaugh, ESA Coordinator, City of Portland; Dan Haggerty, David Evans Associates; Ed Whitelaw, ECO Northwest.

### **ISSUE & BACKGROUND**

Metro staff is evaluating the economic, social, environmental, and energy (ESEE) tradeoffs involved in six options to protect regionally significant fish and wildlife habitat. An important component of Metro's economic analysis is to provide insights into the economic value of ecosystem services provided by fish and wildlife habitat. Metro contracted with ECO NW, a well-respected economic consulting firm, to address, in addition to the development value of land, the economic value of ecosystem services and how this information can be factored into Metro's regional ESEE analysis.

Ecosystem services are the benefits to society of well-functioning ecosystems. Some of the services provided by watershed ecosystems in the Pacific Northwest include improved water supply and water quality, reduced flood damage and flood management costs, increased salmon and other wildlife populations and associated increases in commercial, recreational, spiritual, and intrinsic values. One of the key points in Metro's ESEE analysis is that protection of habitat and the ecological functions that provide ecosystem services may reduce municipal expenditures to provide for these same services, especially over the long term.

The City of Portland is conducting an innovative valuation of ecosystem services project. Portland's work complements Metro's approach because it is very detailed and site specific, focusing on a 140 acre site on Johnson Creek in the Lents neighborhood. It provides a quantifiable example of the value of ecosystem services and demonstrates how a "green" approach to flood management provides a significant return on investment.

The bottom line: The City's work shows that green solutions provide significant environmental and economic benefits and improve taxpayers' and ratepayers' return on their investments. Factoring the economic benefits of environmental improvements into decision-making has the potential to reduce long-term costs and improve the performance of environmental management actions.

## **Summary of the City's Ecosystem Services Work**

The City hired David Evans and Associates, Inc. and ECONorthwest to develop and test a system for documenting the economic value of ecosystem services. As mentioned above, some of the services provided by ecosystems include water supply, fish and wildlife habitat, air purification, erosion control, etc. The system was tested and refined using the Lents Flood Abatement Project from the Johnson Creek Restoration Plan as a case study. The Lents project's objective is to store water generated by up to 10-year flood events (nuisance floods) by restoring the creek's natural floodplain.

The consultants were able to quantify the economic value of five ecosystem services generated by the Lents project:

- Flood management;
- Habitat for salmon and birds;
- Air quality improvement (removal of ozone, sulfur dioxide, carbon monoxide, carbon, particulates);
- Water quality improvement (sediment, etc.); and,
- Recreational opportunities and increased property values.

## **Preliminary Findings**

The City's green approach for the Lents Flood Abatement Project likely will provide more than \$30,000,000 in economic value to the public over a 100-year timeframe. By comparison, a hypothetical alternative of a buried pipe and pump system to achieve the same flood abatement goal would accrue only \$15,000,000 in economic value to the public during the same 100-year timeframe at a much higher cost.

## **OPTIONS AVAILABLE**

This presentation is intended to brief Councilors about the City's ecosystem services work and local documentation of the economic value of habitat protection and restoration actions.

## **IMPLICATIONS AND SUGGESTIONS**

The City's work bolsters what is known about the economic value of ecosystem services by examining the benefits of increasing the natural capacity of streams to store flood water compared to more traditional engineered approach using pipes and other infrastructure. The City's work helps shed light on the long term costs and benefits of different stormwater management strategies and habitat restoration actions.

From a larger perspective, the City's work adds important, quantifiable documentation to the perspective that "green" solutions make environmental and economic sense. This approach to environmental management provides a more complete understanding of costs and benefits and will help inform decisions regarding the Clean Water Act, the Endangered Species Act, fish and wildlife habitat protection and restoration, stormwater management, and other regional planning objectives.

**QUESTION(S) PRESENTED FOR CONSIDERATION**

Staff requests Councilors to ask questions that help their understanding of ecosystem services, how they can be valued economically, and how they could be factored into decision-making for the regional fish and wildlife program and UGB planning.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION**  Yes  X  
No

**SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_

Chief Operating Officer Approval \_\_\_\_\_

***CONTINUATION OF MTIP POLICY DIRECTION DISCUSSION***

Metro Council Work Session  
Tuesday, March 9, 2004  
Metro Council Chamber

## **METRO COUNCIL**

### **Work Session Worksheet**

Presentation Date: March 9, 2004 Time:

Length: 30 minutes

Presentation Title: 2006-09 Transportation Priorities and MTIP schedule and policy update

Department: Planning

Presenters: Ted Leybold

#### **ISSUE & BACKGROUND**

Every two years, JPACT and the Metro Council distribute federal transportation funds to local applicants through the Transportation Priorities process. In order to coordinate this process with other transportation funding decisions in the region, the next Transportation Priorities process is tentatively scheduled to begin the application process in April. This process will allocate funds for the fiscal years of 2008 and 2009 and will make any necessary adjustments to previous allocations for years 2006 and 2007 due to project changes.

Policy direction on defining the type of transportation improvements that should be funded is being sought from Metro Council and JPACT. This will allow the application materials and technical evaluation methods to be updated to reflect this policy direction prior to the release of the applications in April. An extensive outreach process preceded the prior Transportation Priorities allocation process in 2002 and resulted in a major revision of program direction. This policy update is scheduled as a housekeeping update to address new issues that have emerged since the 2002 update.

#### **OPTIONS AVAILABLE**

Council could provide direction of the Transportation Priorities program. Some of the policy issues that should be considered include:

- Potential policy direction changes as a result of the enactment of the Oregon Transportation Investment Acts
- Incorporation of regionally significant industrial lands as a 2040 Tier I priority land use
- Direction on transportation control measures (TCMs) that factor bicycle and pedestrian improvements into our air quality conformity calculations
- Introduction of street connectivity as an evaluation criteria for road modernization technical analysis
- Increased emphasis on intelligent transportation systems (ITS)

- Implementation of the Regional Travel Options strategic plan
- Updates to the Green Street demonstration programs to consider the inclusion of recycled materials and wildlife crossings

The attached draft staff report to draft Resolution No. 04-3431 outlines these policy issues and options of means to address them. The options highlighted in bold text are options recommended for further consideration by Metro staff. Exhibit A to the Resolution is a draft policy report that summarizes the existing policies previously adopted by the Metro Council and suggests changes (in underscore/strikeout text) based on the issues outlined in the staff report.

### **IMPLICATIONS AND SUGGESTIONS**

The policy direction and Transportation Priorities program application will be adopted by Council Resolution prior to release of the application to the regions transportation agencies. Council is requested to provide policy direction to staff that may be incorporated into the resolution and application at this work session.

### **QUESTION(S) PRESENTED FOR CONSIDERATION**

Described above in Options Available section.

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION  Yes  No**  
**DRAFT IS ATTACHED  Yes  No**

### **SCHEDULE FOR WORK SESSION**

Department Director/Head Approval \_\_\_\_\_  
 Chief Operating Officer Approval \_\_\_\_\_





**METRO**

## **2006-09 Transportation Priorities:**

*Investing in the 2040 Growth Concept*

# **Calendar of Activities**

## **2004**

<b>February-March</b>	Policy Review and Direction for 2006-09 Program.
<b>February 24</b>	Council Work Session on policy direction.
<b>February 27</b>	TPAC comment on policy direction.
<b>March 3</b>	MTAC comment on policy direction.
<b>March 9</b>	Possible Council Work Session on policy direction.
<b>March 10</b>	MPAC comment on policy direction.
<b>March 11</b>	JPACT action on policy direction.
<b>March 18</b>	Metro Council action on policy direction.
<b>March</b>	Update of Technical Criteria to reflect Program policy direction. Development of application, set funding targets.
<b>March 19</b>	MTIP Subcommittee review/comment on draft application, technical criteria and measures.
<b>March 26</b>	TPAC review/comment on draft application, technical criteria and measures.
<b>April 5</b>	Solicitation of project/program applications begins.
<b>June 30</b>	Applications due to Metro. Draft ODOT STIP submitted for comment. Draft TriMet TIP submitted for comment.
<b>July</b>	Review of scope, schedule and budget. Score technical rankings.
<b>August</b>	MTIP Subcommittee review of technical rankings, ODOT STIP and TriMet TIP
<b>August 27</b>	TPAC action on First Cut List.
<b>September 9</b>	JPACT action on First Cut List.

# **DRAFT**

- September 16** Metro Council action on First Cut List.
- October-Nov.** Public comment period, listening posts on First Cut List, ODOT STIP and TriMet TIP.
- December** Publish public comment material. Policy discussion and direction on narrowing Final Cut List and draft ODOT STIP and TriMet TIP.

## **2005**

- January** Develop any new information to respond to narrowing policy direction.
- January** MTIP Subcommittee review of new information.
- January 28** TPAC action on Final Cut List and Final ODOT STIP and TriMet TIP.
- February 3** Public hearing on draft Final Cut List at Metro Council and Final ODOT STIP and TriMet TIP.
- February 10** JPACT action on Final Cut List and Final ODOT STIP and TriMet TIP pending air quality analysis.
- February 16** Metro Council action on Final Cut List and Final ODOT STIP and TriMet TIP pending air quality analysis.
- March - May** Programming of funds. Air quality conformity analysis.
- June** Public review of draft MTIP with air quality conformity analysis.
- July 1** Adopt MTIP, including final ODOT STIP and TriMet TIP, and submit to USDOT for concurrence.
- August 1** Receive concurrence from USDOT; submit to ODOT for incorporation into STIP.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE POLICY )  
DIRECTION, PROGRAM OBJECTIVES, )  
PROCEDURES AND CRITERIA FOR THE )  
TRANSPORTATION PRIORITIES 2006-09 )  
ALLOCATION PROCESS AND METROPOLITAN )  
TRANSPORTATION IMPROVEMENT PROGRAM )  
(MTIP). )

RESOLUTION NO. 04-3431

Introduced by  
Councilor Rod Park  
JPACT Chair

WHEREAS, JPACT and the Metro Council are identified in federal regulations as the Portland Area Metropolitan Planning Organization responsible for the allocation of federal highway and transit funding; and

WHEREAS, federal regulations identify preparation of a metropolitan transportation improvement program (MTIP) as the means for programming of such funds; and

WHEREAS, the Transportation Priorities program is the process by which two categories of federal funds, Surface Transportation Program (STP) and Congestion Management/Air Quality (CMAQ) are allocated within the region by JPACT and the Metro Council; and

WHEREAS, new Transportation Priorities and MTIP policy direction, program development and evaluation criteria were adopted following a major outreach process prior to the previous Transportation Priorities allocation process; and

WHEREAS, several policy issues have emerged since the adoption of the previous Transportation Priorities and MTIP policy guidance; and

WHEREAS, JPACT proposes the Transportation Priorities 2006-09 and MTIP policy direction, program development and evaluation criteria will be updated as defined in Exhibit A; and

WHEREAS, further opportunity for agency and public input to the project evaluation and selection process will be provided during the fall of 2004, prior to the narrowing to a final list of projects and programs to be allocated funds; now, therefore,

BE IT RESOLVED,

1. The Transportation Priorities 2006-09 and MTIP policy direction, program development and evaluation criteria stated in Exhibit A are approved.

ADOPTED by the Metro Council this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

\_\_\_\_\_  
Carl Hosticka, Presiding Officer

APPROVED AS TO FORM:

Daniel B. Cooper, General Counsel

**Exhibit A**  
**To Metro Resolution 04-3431**

**Transportation Priorities 2006-09 Allocation Process and  
Metropolitan Transportation Improvement Program  
Update Policy Report**

**Metro Staff Recommendation to TPAC**  
**February 24, 2004**

## Regional Transportation Funding and the Transportation Priorities Program

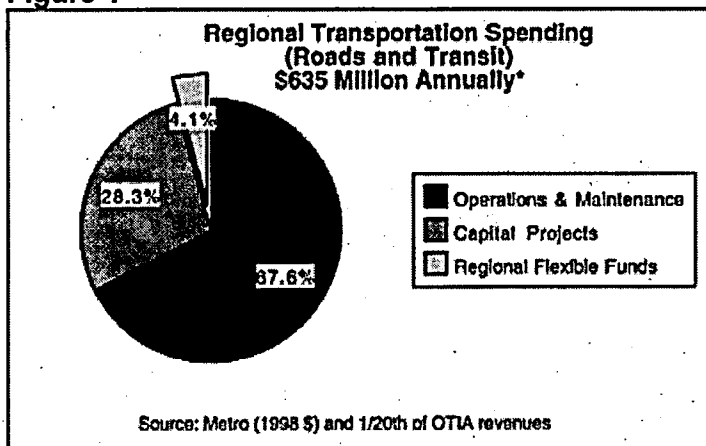
There are several different sources of transportation funding in the region, many of which are dedicated to specific purposes or modes.

Recent data demonstrates that approximately \$425 million is spent in this region on operation and maintenance of the existing transportation system. While there are unmet needs within operations and maintenance, the relatively small potential impact that regional flexible funds would have on these needs and because there are other potential means to address these needs, JPACT and the Metro Council have adopted policy against using regional flexible funds for these purposes. Exceptions include the Transportation Demand Management (TDM) programs as they have demonstrated a high cost-effectiveness at reducing the need for capital projects, because they lack other sources of public funding to leverage private funding and because they directly benefit priority 2040 land-use areas. A second exception is expenditures on the expansion of transit service. This exception has been limited to situations where the transit provider can demonstrate the ability to fund the increased transit service in the subsequent MTIP funding cycle.

Capital spending in the region for new capital transportation projects outside of regional flexible funding is approximately \$180 million per year. This includes funding for state highways, new transit capital projects, port landside facilities and local spending.

Approximately \$26 million of regional flexible funds are spent each year in the Metro region. This funding is summarized in the following Figure 1.

Figure 1



This summary of revenue spending does not include the one-time revenues from the OTIA bond programs recently passed by the state legislature. This includes \$34 in highway modernization, \$22 in road capacity projects and \$122 million in highway, bridge and road reconstruction and maintenance funding expected in this region by 2010 (need to add OTIA III freight modernization; portion of \$100 million state wide, and state bridge maintenance revenues; portion of \$1.3 billion state wide).

This increase in state revenue dedicated to road maintenance, road expansion and bridge repair and reconstruction represents the first major increase in state resources in more than a decade. Prior to this increase, regional flexible funds were used to fund a number of highway capacity projects, such as the I-5/Highway 217 interchange, capacity improvements on Highway 26, the Tacoma Street over crossing of Highway 99E and the Nyberg Road interchange.

However, these allocations were made with the knowledge that no other resources were available for these improvements, and at the expense of smaller, multi-modal improvement that could have been funded with regional flexible funds, instead. A key policy issue in this MTIP update is to determine degree to which the current increase in state highway revenue argues for less emphasis on such projects with regional flexible funds. Currently, main-stem highway capacity improvements are limited under the existing MTIP policies, but there is no limit on allocation for road expansion, highway interchanges, or Preliminary Engineering for major capacity projects.

### **2004-07 Transportation Priorities Allocation Process and Policy Direction**

The 2004-07 Transportation Priorities process began with the adoption of the following program policy direction.

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - centers,
  - industrial areas and
  - UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems
- Develop a multi-modal transportation system

An application process was adopted to implement this policy direction. It included retaining a technical rating of 2040 land use criteria and creating a monetary incentive to applying agencies to nominate projects that best leverage development of 2040 priority land-use areas. While further advancing the program objectives, this option retained flexibility to fund projects that do not directly benefit a regional priority land-use area but that are deemed to be important and effective transportation projects due to other considerations.

This process was referred to as the Region 2040 Match Advantage and is summarized as follows:

- A. Projects that highly benefit:
  - i. Centers, main streets, and station communities
  - ii. Industrial areas and inter-modal facilities
  - iii. UGB concept plan areasare eligible for up to 89.73% match of regional funds.
  
- B. Planning, TOD, TDM and Green Street Demonstration projects are also eligible for up to an 89.73% match of regional funds.
  
- C. Projects determined to not provide a direct, significant benefit to a priority land-use area would be eligible for up to a 70% match of regional funds.

D. No funding for operations or maintenance, except for TDM programs and start-up transit operations that demonstrate capacity for future operation funds to replace regional flexible funds by the next MTIP funding cycle.

E. The technical measures of the 2040 land use criteria have been modified and the method for determining which projects qualify for a regional match of up to 89.73% were developed using lessons learned from current centers and industrial lands research and the Pleasant Valley concept plan and implementation study. Technical measures attempt to rate the direct benefit (or negative effect) of a project to the priority land-use area, not simply assess whether a project is located in or near the priority area.

Additionally, a smaller cost target to limit the number of applications submitted to Metro through the Coordinating Committee process was adopted. The cost target was reduced from 200% of a potential share of funds based on rough geographic equity of fund distribution to 150%. Initially, this was considered as a means that could allow elimination of a step in the allocation process that screens the project list down to a First Cut list. However, the two-step screening process was retained.

#### Screening and Evaluation Criteria

Screening and evaluation criteria were reviewed and direction adopted for the 2004-07 Transportation Priorities program.

#### *Screening Criteria for all projects*

- Highway, road and boulevard projects must be consistent with regional street design guidelines
- Project designs must be consistent with the Functional Classification System of the 2000 RTP
- Project on RTP Financially Constrained list
- Project has received support of governing body at a public meeting as a local priority for regional flexible funding. Adoption of a resolution at a public meeting would qualify as receiving support of the governing body. Documentation of such support would need to be provided prior to release of a technical evaluation of any project.
- Statement that project is deliverable within funding time frame and brief summary of anticipated project development schedule

#### *Evaluation Criteria*

##### 1. 2040 Criteria

Review the work of the current centers research and industrial lands studies to clarify how transportation funding can most effectively leverage successful development of these priority land-use areas. This includes developing methods to distinguish between the readiness of different mixed-use areas and industrial areas to develop and methods to evaluate and measure the positive and negative impacts of a project or program on leveraging development of a priority land use area other than simply the location of the facility. Applications were scored on how the project contributes to the most critical objectives a center plan or industrial area needs to achieve to become a successful area in terms of 2040 development objectives and to describe what actions the local jurisdiction is taking to address its most critical needs.



## 2. Multi-modal Road Projects

The provision of pedestrian and bicycle improvements within priority 2040 priority land-use areas as a part of a road modernization or reconstruction project qualified a project for additional technical points over a multi-modal road project outside of these priority areas. The creation of new pedestrian and bicycle improvements qualified a road project for additional technical points over a road project that simply moved or replaced pedestrian and/or bicycle facilities.

Similarly, the TIP Subcommittee was asked to review potential methods for awarding additional technical points to road projects that provide a significant freight or transit benefit, particularly benefits supporting priority land-use areas over road projects that do not provide this multi-modal benefit. However, no method of adjusting the technical score for these considerations was developed.

## 3. Qualitative Criteria

The use of qualitative criteria was limited as a means for technical staff to recommend elevating a project to receive funding over other higher technically ranked projects within their same project categories.

### Qualitative criteria

- Minimum logical project phase
- Linked to another high priority project
- Over-match
- Past regional commitment\*
- Includes significant multi-modal benefits
- Affordable housing connection
- Assists the recovery of endangered fish species
- Other factors not reflected by technical criteria

Any project could receive a recommendation from Metro staff or TPAC for funding based on these administrative criteria only if it is technically ranked no more than 10 technical points lower than the highest technically ranked project not to receive funding in the same project category (e.g. a project with a technical score of 75 could receive funding based on administrative criteria if the highest technically ranked project in the same project category that did not receive funding had a technical score of 85 or lower).

\* Previous funding of Preliminary Engineering (PE) does constitute a past regional commitment to a project and should be listed as a consideration for funding. Projects are typically allocated funding for PE because they are promising projects for future funding. However, Metro does not guarantee a future financial commitment for construction of these projects.

## 4. Green Streets Design Elements

A new category of funding was established in the 2004-07 process; Green Streets Demonstration projects. Further, elements of green street designs that had an established record of performance, were added as a means of obtaining bonus points within the technical scoring of the road and boulevard categories.

## 5. Measurement of Safety Criteria

In the interest of broadening the technical scoring of projects from accident data only, an “expert analysis” approach using general guidelines of safety considerations, including but not limited to Safety Priority Indexing System (SPIS) data, was developed for all relevant project categories as a means of providing a comprehensive method for considering safety issues. This approach will utilize a panel of project professionals to review each project relative to a list of quantitative and qualitative safety considerations and score each project accordingly.

### Solicitation, Allocation and Follow-up Process Issues

There were several changes to the 2004-07 Transportation Priorities process used to solicit and allocate regional flexible funds.

1. **Additional Time for Application Process;** A third month was added to the project solicitation phase of the process. This allowed more time to for coordination among jurisdictional staff and for completing the applications.
2. **Public Kick-off Notice;** To address concerns about the ability for community interest groups and jurisdictional staff from outside of transportation agencies to influence project applications, Metro provided public announcements of the kick-off of the application process and provided interested parties with a list of local agency contacts.
3. **Regional Objectives;** In order to provide better information about regional objectives, successful project examples and assistance on completing project applications, Metro staff provided presentations to jurisdictional staff early in the solicitation period at coordinating committee meetings.
4. **STIP Coordination;** Metro and ODOT attempted to identify areas for coordination related to STIP projects that could be supplemented with Transportation Priorities funding applications and Transportation Priorities staff attended public comment meetings of the STIP with information about the Transportation Priorities process.
5. **MTIP Subcommittee;** The MTIP Subcommittee of TPAC was used to review the draft technical scoring by project staff.
6. **Public Outreach;** Metro will utilize a public involvement program consistent with Metro’s policies on public involvement. This included early notification of process kick-off and key decision points and opportunities for comment and a response to those comments. Key components included the ability of the public to review and comment on the projects and their technical rankings and draft First Cut list on Metro’s website and a formal public hearing on the recommended allocation package prior to the final decision meetings of JPACT and the Metro Council.
7. **Public Information;** Increasing public understanding of the MTIP and Transportation Priorities program was increased through the inclusion of Metro information, including signage, on funded project or program materials, participation in public events and new informational materials, and Metro’s website highlighting funded projects.

8. Allocation Follow-up Activities; Metro committed to improve project monitoring to ensure project development that is consistent with application materials post-construction data collection (particularly with demonstration projects) and awards or other recognition for quality project implementation.

#### **Policy Direction to Narrow from First Cut List to Final Cut List**

After adoption of the First Cut List, a policy discussion of JPACT and the Metro Council resulted in the following direction to technical staff for development of a recommendation to a Final Cut List.

1. Honor Prior Commitments
2. Metro Planning Funded
3. Land Use and Economic Development Direction:
  - Invest in all types of 2040 mixed-use and industrial lands
  - Emphasize non-road/bridge projects to maximize development and multi-modal objectives in mixed-use areas
  - Screen all projects and programs on their relationship to the implementation of mixed-use and/or industrial area plans and development (2040 technical score, qualitative issues/public comments)

## **Transportation Priorities 2006-09 Update**

Metro staff recommends the 2006-09 Transportation Priorities process retain the updates that evolved from the extensive outreach process of the 2004-07 effort. Additional policy, technical and process issues were identified during implementation of and subsequent to the 2004-07 process, however, that should be addressed prior to kick off of the 2006-09 process.

### **Policy Refinement Issues**

- Integration of 2004-07 narrowing directives and General Program Policies (Investing in Tier I and Tier II mixed-use and industrial areas and emphasis on non road/bridge projects)
- Program policy direction changes in response to Oregon Transportation Investment Acts (OTIA I-III).
- Direction on funding of Bicycle and Pedestrian transportation control measures for air quality
- Policy direction on Intelligent Transportation Systems (ITS)
- Incorporate directives on Regionally Significant Industrial lands
- ODOT applications to supplement urban highway preservation projects
- Green Streets
  - Green Trails; directives to Multi-Use path category
  - Encourage use of recycled materials in transportation projects
  - Wildlife Crossings

### **Technical Refinement Issues**

- Technical Implementation of Policy refinement directives
- 2040 Qualitative technical score – Community Focus Attachment C refinement
- Safety technical score methodology
- Use of system level data and project level data to evaluate congestion relief

### **Process Refinement Issues**

- Determine whether all project applications must be a part of the 2004 RTP financially constrained system.
- Jurisdiction and Agency program/application review at TPAC and JPACT  
TOD, RTO, ITS, Clackamas Co., Multnomah Co., City and Port of Portland, Washington Co., TriMet/SMART, Metro Planning, ODOT (STIP).
- Joint Public Outreach with ODOT STIP and including Transit Federal funding summary
- Directives to Narrow from First Cut List to Final Cut List to be developed by JPACT and Metro Council in December 2004.
- Engineering review of application scope, schedule and budget.

## **Transportation Priorities 2006-09 Policy Refinement Recommendations**

### **1. Integration of 2004-07 Narrowing and General Program Policies**

During the 2004-07 Transportation Priorities process, JPACT directed technical staff on how to provide recommendations to narrow from the First Cut list to a Final Cut list. This direction included policies that could be considered as an update to general program policies for the 2006-09 process.

To integrate the policy directive received during the narrowing process to fund projects in all types (Type I and II) of mixed-use and industrial areas and to emphasize non-road/bridge categories, Metro staff recommends the following changes to the general program policy directive.

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - centers, designated Tier I and II 2040 mixed-use areas
  - industrial areas and
  - Tier I and II 2040 mixed-use and industrial areas within UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems
- Develop a multi-modal transportation system
- Meet the average annual requirements of the State Implementation Plan for air quality for the provision of pedestrian and bicycle facilities

Furthermore Secondly, road and bridge related projects is proposed to be limited to no more than 60% of the total cost of candidate projects submitted for application by each of the County coordinating committees and the City and Port of Portland. This is equivalent to the percentage of regional flexible funds derived from the Surface Transportation Program.

Finally, the local match requirement for road, bridge and bicycle projects located more than 1 mile outside of Tier I and town center 2040 land use areas is recommended to be changed. Local match for road and bridge related projects located outside these areas is proposed to increase to 50% of project costs. Bicycle projects located outside these areas is proposed to be decreased to the federally required 10.27%.

## **2. Refine the Transportation Priorities program focus in response to the additional funding resources provided by the recent Oregon Transportation Investment Acts (OTIA I – III).**

Recent acts by the state legislature have increased the available revenue for transportation improvements in the region. This includes \$34 in highway modernization, \$22 in road capacity projects and \$122 million in highway, bridge and road reconstruction and maintenance funding expected in this region by 2010 (need to add OTIA III freight modernization; portion of \$100 million state wide, and state bridge maintenance revenues; portion of \$1.3 billion state wide when defined).

This increase in state revenue dedicated to road maintenance, road expansion and bridge repair and reconstruction represents the first major increase in state resources in more than a decade. Prior to this increase, regional flexible funds were used to fund a number of highway capacity projects, such as the I-5/Highway 217 interchange, capacity improvements on Highway 26, the Tacoma Street over crossing of Highway 99E and the Nyberg Road interchange.

However, these allocations were made with the knowledge that few other resources were available for these improvements, and at the expense of smaller, multi-modal improvement that

could have been funded with regional flexible funds, instead. A key policy issue in this MTIP update is to determine degree to which the current increase in state highway revenue argues for less emphasis on such projects with regional flexible funds. Currently, main-stem highway capacity improvements are limited under the existing MTIP policies, but there is no limit on allocation for road expansion, highway interchanges, or Preliminary Engineering for major highway capacity projects.

To address this change in revenue availability, Metro staff recommends the same changes outlined in Issue #1 above.

### **3. Direction on funding of Bicycle and Pedestrian transportation control measures for air quality**

The Transportation Priorities funding in 2006-07 did not meet the yearly average for providing miles of pedestrian and bicycle improvements but had to rely on a defined ODOT maintenance project and over building from previous years to meet this requirement as reported in the MTIP.

The general program policy statement will be updated as indicated above to state that the Transportation Priorities process will fund a minimum of the average requirement for implementation of the pedestrian (1.5 miles) and bicycle (5 miles) improvements required by the State Implementation Plan for air quality.

### **4. Introduction of street connectivity as an evaluation criteria for the Road Modernization mode category**

Currently, congestion relief, cost-effectiveness of providing congestion relief, safety and 2040 land-use impacts are the four evaluation criteria for road modernization projects. Metro has adopted as part of the region's Congestion Management System policies standards for providing street connectivity prior to adding capacity to existing roads. However, the Transportation Priorities technical evaluation does not provide any technical evaluation of whether or how road capacity projects address the street connectivity standards.

Metro staff recommends the addition of street connectivity as an evaluation criteria for the road modernization category to increase the technical ranking score of projects that increase street connectivity.

### **5. Direction on Intelligent Transportation Systems (ITS)**

While this category of projects has received several allocations of regional funding in the past, the Transportation Priorities process did not provide any funding for ITS in 2006-07. This is an eligible CMAQ activity and means of increasing the efficiency of existing road infrastructure. An ITS subcommittee of TPAC is in the process of being created to formally organize implementation of these technologies on a regional scale. Currently, there is no policy direction within the Transportation Priorities program regarding ITS. It has been technically ranked with road capacity projects.

Metro staff recommends creating a separate technical ranking category for ITS projects. This highlights ITS projects as a distinct and important component of the Congestion Management System strategy and component of the regional transportation strategy. It is also necessitated by the addition of street connectivity as an evaluation criteria in the road modernization category.

(where ITS projects were historically evaluated) as ITS projects by their nature could not be evaluated on their impact to street connectivity criteria.

Furthermore, ITS projects will not be subject to the cost limitation placed on road and bridge related projects applications from the coordinating committees.

Metro staff is directed to work with the ITS subcommittee of TPAC to develop technical evaluation criteria for this new category.

## **6. Regionally Significant Industrial Lands**

The Regional Transportation Plan has been amended to recognize regionally significant industrial lands as a Tier I 2040 land-use priority over other industrial lands subsequent to the policy update of the 2004-07 Transportation Priorities process. The technical scoring for freight and road projects will be updated to award more points to projects that serve regionally significant industrial lands as a Tier I priority and other industrial lands as a Tier II priority in, similar to the difference between regional and town centers.

## **7. ODOT applications to supplement STIP projects**

In an effort to improve the delivery of transportation services in the region and coordination between ODOT and regional/local policy objectives, Metro staff recommends early coordination with ODOT staff to consider joint funding for missing pedestrian and bicycle elements in state preservation and maintenance projects by identifying potential state modernization or other revenues local revenues and by applying for Transportation Priority funds. Requests should be made in context of coordination with the STIP and MTIP to fully disclose need for additional regional funds for state projects and the potential impacts to the state modernization program within the region.

## **8. Green Streets**

### **- Green Trails**

The Metro Parks and Greenspaces Department has recently published a best practices guidebook on the construction of trails and multi-use paths in an environmentally sensitive manner. Metro staff recommends that funding awards to multi-use path projects be conditioned to consider the design guidelines of the Green Trail handbook during project development.

### **- Use of Recycled Materials in Transportation Projects**

To respond to the Federal Highway Administration (FHWA) directive on the use of recycled materials in federal highway projects and to create stronger markets for recycled materials, Metro staff recommends that materials related to the Transportation Priorities allocation process include a summary of the FHWA directive. Additionally, Metro staff shall work with TPAC to attempt to develop a method for the award of technical bonus points for the commitment of a project applicant to use certain types or levels of recycled materials in road or multi-use path projects.

## **- Wildlife Crossings**

The Transportation Planning section was a project client for a Portland State University urban planning masters program effort to develop a supplemental best practices guidebook to incorporating wildlife crossings into transportation facilities. Metro staff recommends that Metro should submit a Transportation Priorities 2006-09 application to further study this issue, formally update the Creating Livable Streets guidebooks, and develop policy amendments to the Transportation Priorities program and/or the Regional Transportation Plan.

## **Transportation Priorities 2006-09 Technical Refinement Issues**

Metro staff is directed to work with TPAC to address the following technical evaluation issues.

### **1. Street Connectivity as Technical Measure for Road Capacity projects**

Implementation of new policy directive summarized above.

### **2. Develop technical criteria for a new Intelligent Transportation System modal category**

Utilize the ITS Subcommittee to propose technical evaluation measures to implement new policy directive summarized above.

### **3. Attempt to develop technical bonus points for use of recycled materials**

Attempt to develop a method for the award of technical bonus points for the commitment of a project applicant to use certain types or levels of recycled materials in road or multi-use path projects. Implementation of new policy directive summarized above.

### **4. Refinement of 2040 Qualitative Technical Score – Attachment C**

Additional knowledge has been developed about the development of mixed-use areas and their relationship to transportation infrastructure since the development of the 2004-07 Transportation Priorities process. The “Community Focus” qualitative analysis will be updated to reflect refinements in evaluating differences between the readiness of planned mixed-use areas to develop and the relationship between a potential transportation investment and the potential success in the development of a mixed-use area. The attachment will also be clarified on how individual elements of the qualitative summary contribute to the overall technical score.

### **5. Safety Technical Score Methodology**

Applicants will be asked to provide information regarding specific safety factors that will be evaluated by a panel of transportation professionals. The method by which the panel will use this information in developing their project scores will be described in the application.

### **6. Use of system level data and project level data to evaluate congestion relief**

Resolve the issue of when or how to use project level data to supplement system level data when analyzing expected congestion relief provided by a candidate road project application.



## **Transportation Priorities 2006-09 Process Refinement Issues**

Metro staff is directed to implement the following changes to the application process.

### **1. Jurisdiction and Agency program/application review at TPAC and JPACT**

Arrange for the following programs and coordinating committees to provide presentations at TPAC and JPACT as a summary of their program and/or their package of project/program candidate applications. TOD Program, RTO Program, ITS status update, Clackamas County, Multnomah County., City and Port of Portland, Washington County, TriMet/SMART, Metro Planning, ODOT (STIP Presentation).

### **2. Joint public outreach process with ODOT STIP process and Transit funding summary**

A joint public outreach process with the ODOT State Transportation Improvement Program will be implemented. This outreach will include participation by the regions transit agencies to provide information on their planned development and expenditures of the 2006-09 period.

### **3. Directives to technical staff on development of recommendations to narrow from a First Cut list to a Final Cut list**

Directives to technical staff on the development of recommendations to narrow from a First Cut List to a Final Cut List are to be developed by JPACT and Metro Council after the adoption of the First Cut list. This was a process element that was instigated during the previous Transportation Priorities allocation process. It is now a scheduled process element expected in the December 2004 time frame.

### **4. Engineering Review of Application Scope, Schedule and Budget**

Metro staff will work with ODOT staff to investigate whether consultant services can be provided to review candidate project applications for accuracy of scope, schedule and budget to ensure projects can be delivered as described in the application and ranked fairly against similar projects.

## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 04-3431 FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION, PROGRAM OBJECTIVES, PROCEDURES AND CRITERIA FOR THE TRANSPORTATION PRIORITIES 2006-09 ALLOCATION PROCESS AND METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP).

March 18, 2004

Presented by: Ted Leybold

## PROPOSED ACTION

This resolution would approve a report outlining the policy direction, program objectives, and procedures that will be used during the Transportation Priorities 2006-09 Allocation Process and MTIP update to nominate, evaluate, and select projects to receive federal transportation funds in the fiscal year 2008-09 biennium.

## BACKGROUND

The Metro Council and the Executive Officer are preparing a request to local jurisdictions to submit projects to Metro for evaluation and award of regional flexible transportation funding. Regional flexible transportation funds are those portion of federal funds accounted for in the MTIP that are allocated through the JPACT/Metro Council decision-making process. This process is referred to as the Transportation Priorities 2006-09 allocation.

Metro and ODOT update the MTIP/STIP every two years to schedule funding for the following four-year period. The Transportation Priorities 2006-09 allocation encompasses the four-year period of federal fiscal year's 2004 through 2007 (FY 06 - FY 09). This update will therefore adjust, as necessary, funds already allocated to projects in FY 06 and FY 07 in the current approved MTIP. It will also allocate funds to new projects in the last two years of the new MTIP (i.e., FY 08 and FY 09).

The regional flexible funds available in the Transportation Priorities 2006-09 allocation is composed of two types of federal transportation assistance, which come with differing restrictions. The most flexible funds are surface transportation program (STP) funds that may be used for virtually any transportation purpose, identified in the Financially Constrained RTP, short of building local residential streets.

The second category of money is Congestion Mitigation/Air Quality (CMAQ) funds. CMAQ funds cannot be used to build new lanes for automobile travel. Also, projects that use CMAQ funds must demonstrate that some improvement of air quality will result from building or operating the project.

Prior to the previous Transportation Priorities allocation process and MTIP update a major outreach effort led to the adoption of a report outlining the policy direction, program objectives, and procedures to be used during the Transportation Priorities 2004-07 Allocation Process and MTIP update. Since that time, several policy issues have emerged that potentially affect the Transportation Priorities process and MTIP. Following is a summary of those issues and recommended changes to address them. Exhibit A is an amended version of the existing policy report, reflecting recommended changes to provide policy direction, program objectives and procedures for the Transportation Priorities 2006-09 allocation process and MTIP update.

The format of this summary is to identify the policy issues that have emerged since adoption of the existing policy report, list options for addressing the policy and to highlight in bold those options that are

recommended. If the recommendation includes changes to the existing policy report, Exhibit A highlights those proposed changes in underline/strikeout text.

## **1. Integration of 2004-07 Narrowing and General Program Policies**

During the 2004-07 Transportation Priorities process, JPACT directed technical staff on how to provide recommendations to narrow from the First Cut list to a Final Cut list. This direction included policies that could be considered as an update to general program policies for the 2006-09 process.

One policy directive received during the narrowing process was to develop a recommendation that funded projects in all types (Type I and II) mixed-use and industrial areas.

### Options:

- a. **Change the general policy direction statement regarding priority land used areas from "centers" to "Tier I and II 2040 mixed-use areas".**

A second policy directive was develop a recommendation that emphasized non-road//bridge projects.

### Options:

- a. Eliminate road modernization/reconstruction and bridge as mode categories. (Currently, freeway interchange projects and preliminary engineering of projects for addition of new freeway lanes are eligible for funding. Projects to acquire right of way or to construct new freeway capacity are not eligible.)
- b. **Limit the total cost of road related or bridge projects as a percentage of the total cost target from each coordinating committee to the percentage of STP funds of the total regional flexible funds available to allocate.**
- c. **Strengthen policy statement on purpose of regional flexible funds.**
- d. **Change local match requirements to increase the percentage required for road and bridge projects and decrease the percentage required for bicycle projects outside of Tier I and town center land use areas.**

## **2. Refine the Transportation Priorities program focus in response to the additional funding resources provided by the recent Oregon Transportation Investment Acts (OTIA I – III).**

Recent acts by the state legislature has increased the available revenue for transportation improvements in the region. This includes \$34 in highway modernization, \$22 in road capacity projects and \$122 million in highway, bridge and road reconstruction and maintenance funding expected in this region by 2010 (need to add OTIA III freight modernization; portion of \$100 million state wide, and state bridge maintenance revenues; portion of \$1.3 billion state wide when defined).

This increase in state revenue dedicated to road maintenance, road expansion and bridge repair and reconstruction represents the first major increase in state resources in more than a decade. Prior to this increase, regional flexible funds were used to fund a number of highway capacity projects, such as the I-5/Highway 217 interchange, capacity improvements on Highway 26, the Tacoma Street over crossing of Highway 99E and the Nyberg Road interchange.

However, these allocations were made with the knowledge that few other resources were available for these improvements, and at the expense of smaller, multi-modal improvement that could have been funded with regional flexible funds, instead. A key policy issue in this MTIP update is to determine

degree to which the current increase in state highway revenue argues for less emphasis on such projects with regional flexible funds. Currently, main-stem highway capacity improvements are limited under the existing MTIP policies, but there is no limit on allocation for road expansion, highway interchanges, or Preliminary Engineering for major highway capacity projects.

**Options:**

- a. Eliminate road modernization/reconstruction and bridge as mode categories. (Currently, freeway interchange projects and preliminary engineering of projects for addition of new freeway lanes are eligible for funding. Projects to acquire right of way or to construct new freeway capacity are not eligible.)
- b. **Limit the total cost of road related or bridge projects as a percentage of the total cost target from each coordinating committee to the percentage of STP funds of the total regional flexible funds available to allocate.**
- c. **Strengthen policy statement on purpose of regional flexible funds.**
- d. **Change local match requirements to increase the percentage required for road and bridge projects and decrease the percentage required for bicycle projects outside of Tier I and town center land use areas.**

**3. Direction on funding of Bicycle and Pedestrian transportation control measures for air quality**

The Transportation Priorities funding in 2006-07 did not meet the yearly average for providing miles of pedestrian (.75 miles) and bicycle (2.5 miles) improvements but had to rely on a defined ODOT maintenance project and over building from previous years to meet this requirement as reported in the MTIP.

**The general program policy statement will be updated to state that the Transportation Priorities process will fund a minimum of the average annual requirement for implementation of the pedestrian and bicycle improvements required by the State Implementation Plan for air quality.**

**4. Introduction of street connectivity as an evaluation criteria for the Road Modernization mode category**

Currently, congestion relief, cost-effectiveness of providing congestion relief, safety and 2040 land-use impacts are the four evaluation criteria for road modernization projects. Metro has adopted as part of the region's Congestion Management System policies standards for providing street connectivity prior to adding capacity to existing roads. However, the Transportation Priorities technical evaluation does not provide any technical evaluation of whether or how road capacity projects address the street connectivity standards.

**Options:**

- a. No change to the existing road modernization evaluation criteria.
- b. **Add street connectivity as an evaluation criteria to the road modernization category.**

## 5. Direction on Intelligent Transportation Systems (ITS)

While this category of projects has received several allocations of regional funding in the past, the Transportation Priorities process did not provide any funding for ITS in 2006-07. This is an eligible CMAQ activity and means of increasing the efficiency of existing road infrastructure. An ITS subcommittee of TPAC is in the process of being created to formally organize implementation of these technologies on a regional scale. Currently, there is no policy direction within the Transportation Priorities program regarding ITS. It has been technically ranked with road capacity projects.

### Options:

- a. No changes this round – charge ITS subcommittee to develop recommendations for 2008-2011.
- b. **Create a separate technical evaluation category for ITS projects.** (Note: addition of street connectivity as an evaluation measure for road modernization projects would penalize ITS projects if left in the road modernization category.)
- c. **If other policy limits are placed on road projects, exempt ITS projects.**
- d. **Work with ITS subcommittee to develop technical evaluation criteria.**

## 6. Regionally Significant Industrial Lands

The Regional Transportation Plan has been amended to recognize regionally significant industrial lands as a Tier I 2040 land-use priority over other industrial lands subsequent to the policy update of the 2004-07 Transportation Priorities process.

**The technical scoring for freight and road projects will be updated to award more points to projects that serve regionally significant industrial lands as a Tier I priority and other industrial lands as a Tier II priority in, similar to the difference between regional and town centers.**

## 7. ODOT applications to supplement STIP projects

In an effort to improve the delivery of transportation services in the region and coordination between ODOT and regional/local policy objectives, ODOT and Metro staff have discussed the possibility of early notification of ODOT preservation and maintenance projects to allow for application for regional flexible funds, supplemental ODOT funds and local funds to address missing or substandard pedestrian and/or bicycle facilities as a part of the project.

### Options:

- a. Encourage ODOT staff to identify modernization revenues to fund missing pedestrian and bicycle elements in state preservation and maintenance projects.
- a. Encourage ODOT staff to apply for Transportation Priority revenues to fund missing pedestrian and bicycle elements in state preservation and maintenance projects.
- c. **Encourage ODOT staff to consider joint funding for missing pedestrian and bicycle elements in state preservation and maintenance projects by identifying potential state modernization or other revenues and by applying for Transportation Priority funds. Requests should be made in context of coordination with the STIP to fully disclose need for additional regional funds for state projects and the potential impacts to the state modernization program within the region.**

## 8. Green Streets

### - Green Trails

The Metro Parks and Greenspaces Department has recently published a best practices guidebook on the construction of trails and multi-use paths in an environmentally sensitive manner.

#### Options:

- a. Require all multi-use paths funded through Transportation Priorities be constructed consistent with the design guidelines of the Green Trail handbook.
- b. **Require all multi-use paths funded through Transportation Priorities consider the design guidelines of the Green Trail handbook during project development.**
- c. Award technical bonus points for projects that commit to meeting particular design elements of the Green Trail handbook as identified by TPAC.

### - Use of Recycled Materials in Transportation Projects

After the application process for the 2004-07 Transportation Priorities process had begun, program staff received a request from Metro Solid Waste and Recycling staff for inclusion of recycled materials for projects funded by the Transportation Priorities program. This is an effort to address a Federal Highway Administration (FHWA) directive to consider using recycled materials on transportation projects and to increase the market for recycled materials.

#### Options:

- a. **Incorporate educational statement in Transportation Priorities and MTIP supporting FHWA directive that when selecting materials for transportation projects, recycled materials should be considered first**
- b. **Award bonus points for commitment to certain level of use of recycled materials in road and multi-use path projects as identified by TPAC.**

### - Wildlife Crossings

The Transportation Planning section was a project client for a Portland State University urban planning masters program effort to develop a supplemental best practices guidebook to constructing wildlife crossings into transportation facilities.

#### Options:

- a. **Have Metro submit a Transportation Priorities 2006-09 application to further study this issue, update the Creating Livable Streets guidebooks, and develop policy amendments.**
- b. Award bonus points for commitment to create a wildlife crossing within a road project demonstrated to be in a wildlife crossing location.
- c. List as a specific qualitative criteria for consideration and allow deduction of cost of wildlife crossing elements from the cost-effectiveness calculation.

## **ANALYSIS/INFORMATION**

1. **Known Opposition:** Metro staff is unaware of any opposition at this time.
2. **Legal Antecedents:** Federal planning regulations designate JPACT and the Metro Council as the Portland Area Metropolitan Planning Organization responsible for allocating federal highway and transit funds to projects in the metropolitan area. Preparation of an MTIP is the means prescribed for doing this. JPACT and the Metro Council have adopted a policy direction for the Transportation Priorities 2004-07 allocation process and MTIP update through Metro Resolution No. 02-3206. This Resolution updates that policy direction for the Transportation Priorities 2006-09 allocation process and MTIP update by amending the policy report as shown in Exhibit A. Projects approved for inclusion in the MTIP must come from a conforming, financially constrained transportation plan. The 2004 RTP is the current conforming plan.
3. **Anticipated Effects:** Adoption of this resolution will provide policy guidance to the process of allocating regional flexible transportation funds. This new policy guidance will refine how Metro staff solicits projects for funding, how project applications will be technically ranked for policy implementation, the public outreach and decision making process to select projects for funding and the ability to analyze and provide public information concerning the effectiveness of the MTIP program in addressing program policies.
4. **Budget Impacts:** none.

## **RECOMMENDED ACTION**

Metro Council to approve Resolution No. 04-3431.

TL: RC

Agenda Item Number 4.0

***KEY PLANNING ISSUES FOR 05-10 REGIONAL SOLID WASTE MANAGEMENT PLAN***

Metro Council Work Session  
Tuesday, March 9, 2004  
Metro Council Chamber



**METRO COUNCIL**

**Work Session Worksheet**

Presentation Date: 03/09/04

Time:

Length: 60 minutes

Presentation Title: Key Planning Issues for 2005-2015 Regional Solid Waste Management Plan

Department: Solid Waste & Recycling

Presenters: Janet Matthews, Mike Hoglund, Karen Blauer

**ISSUE & BACKGROUND**

The Regional Solid Waste Management Plan (RSWMP) guides the evolution and performance of the regional solid waste system. With the current RSWMP expiring in 2005, a process to update the document for the next ten years is underway.

In the early stages of this RSWMP update process, regional stakeholders are being asked:

- (a) whether the core values and vision in the current RSWMP are still relevant for the future; and
- (b) what key planning issues should be part of regional discussions during the RSWMP update process.

These two questions will be discussed with Council during two work sessions in March (9<sup>th</sup> and 23<sup>rd</sup>).

Two items for these March discussions are attached to the worksheet. The first attachment, related to (a) above, is Chapter 5 from the current RSWMP. This chapter articulates a vision and core values that have guided the development of policies and programs in the Metro region for the past decade. (Virtually all values for the regional solid waste system that Council established during last year's policy discussions are captured in these pages.) The second attachment, related to (b) above, is a list of potential regional issues prepared by staff. Many questions on this list have grown out of discussions between staff and Council over the past year, e.g., the regional disposal system and the 62% waste reduction goal.

**OPTIONS AVAILABLE**

N/A

**IMPLICATIONS AND SUGGESTIONS**

N/A

**QUESTION(S) PRESENTED FOR CONSIDERATION**

- 1) Are the current RSWMP values (as expressed in the plan vision, plan goal, and 16 other goals and related objectives) still relevant for the future? Do they describe the type of system we strive to create and maintain?
- 2) What key planning issues should be part of regional discussions during the RSWMP update process?
- 3) What questions should be asked of other stakeholders in the system, including ratepayers?

**LEGISLATION WOULD BE REQUIRED FOR COUNCIL ACTION** \_\_ Yes x No

**DRAFT IS ATTACHED** \_\_ Yes x No

**SCHEDULE FOR WORK SESSION**

Department Director Approval

Mr. Hoag

Chief Operating Officer Approval

\_\_\_\_\_

## **DRAFT**

### **Potential regional issues for 2005 – 2015**

Prepared by Metro staff

February 17, 2004

This set of “potential regional issues” generated by Metro staff is to be used in discussions with stakeholders participating in the Regional Solid Waste Management Plan update. Stakeholders will be asked their opinions about whether any of these issues should – or should not – be considered for further discussion as the Regional Solid Waste Management Plan is updated.

This list reflects concerns about future regional direction, both short and long term in nature. The items on this list are not intended to pre-empt input generated by stakeholders during public involvement activities.

#### **1. Maintain the public/private transfer mix?**

The region has a mix of public and private transfer facilities. Should that mix be maintained in the future? Are there different roles for publicly and privately-owned transfer facilities?

#### **2. Add more capacity?**

The region has an oversupply of processing and transfer capacity. What criteria should determine whether more capacity is added to the system? Are there still areas of the region that are underserved by processing or transfer capacity? How should underserved areas be identified and addressed?

#### **3. Implement “required recycling”?**

The “opportunity model” of voluntary recycling is unlikely to get the region to the 62% state waste reduction goal for 2005. Would a policy shift to “required recycling” for certain sectors enable the region to achieve its 2009 statutory goal of 64%? What are the associated costs and benefits of such policies?

#### **4. Place stronger emphasis on “front end”?**

The state largely measures progress in local wastesheds by tons recovered. Nevertheless, some suggest the region should place even greater emphasis on preventing the generation of waste and toxicity. Are there greater environmental benefits to such a shift? How would prevention performance be measured? How would such a shift impact the region’s efforts to achieve the statutory waste reduction goals in 2005 and 2009? What resources can the region commit to prevention?

**5. Factor environmental benefits into program cost/benefit analyses?**

On a strict cost comparison basis, landfilling is often cheaper than recycling, depending on the material. The current RSWMP states, however, that "After consideration of technical and economic feasibility, Metro will support a higher system cost for waste reduction practices . . ." Should quantifiable environmental benefits (e.g., reduced greenhouse gases) also be given weight in determining costs and benefits of proposed waste reduction practices vs. disposal?

**6. Lead to where in the future?**

The Portland metropolitan region has been a national leader in reducing the amount and toxicity of solid waste. This is evidenced by a regional recovery rate of over 50%, policies ranging from variable can rates to minimum recovery requirements at MRFs, programs such as latex paint recycling and household hazardous waste collection, and on-going education to create a high level of awareness and participation. Over the next ten years, what path should the region chart if it is to continue demonstrating leadership in the resource conservation and waste management arenas?

## **Regional Solid Waste Management Plan Goals and Objectives**

Any plan of this scope must have a guiding vision. The preceding history clearly illustrates an evolving solid waste policy that recognizes the values inherent in protecting the region's environment, providing adequate levels of waste collection and disposal services and efficiently allocating finite fiscal resources.

The vision of this plan can be summarized as follows:

Solid waste is viewed by citizens of the region as a resource to be managed. We understand that the conservation of natural systems – soil, water, air and biological diversity – sustain both economic prosperity and life itself and that the protection of our natural systems requires changes in consumption of resources. In order to build a sustainable future together, we recognize the link between integrated waste management and the conservation of resources as an integral part of the regional decision-making process.

The overall goal of the RSWMP is:

Continue to develop and implement a Solid Waste Management Plan that achieves a solid waste system that is regionally balanced, environmentally sound, cost-effective, technologically feasible and acceptable to the public.

As used in this plan, goals are value-based statements about what is desirable to achieve in the long run. They are broadly worded and express ideals. The objectives are more specific milestones that lead to goal attainment. Performance benchmarks, presented in Chapter 9, are measurable characteristics of the solid waste system that will be used to monitor the success or failure of objectives as they are acted upon.

## System-Wide Goals and Objectives

**Goal 1 - The Environment.** Solid waste management practices that are environmentally sound, conserve natural resources and achieve the maximum feasible reduction of solid waste being landfilled are implemented by the region.

Objective 1.1. The guiding policy for waste management in the region is based on the following priorities:

- Reduce the amount of solid waste generated
- Reuse material for the purpose for which it was originally intended
- Recycle material that cannot be reused
- Compost material that cannot be reused or recycled
- Recover energy from solid waste that cannot be reused, recycled or composted so long as the energy recovery facility preserves the quality of air, water and land resources
- Dispose of, by landfilling, any solid waste that cannot be reused, recycled, composted or from which energy cannot be recovered.

**Goal 2 - Education.** Residents and businesses of the region are knowledgeable of the full range of waste management options, including waste prevention and reduction, that are available to them.

Objective 2.1. Provide for public education regarding the costs and benefits of alternative waste management practices in a coordinated fashion such that duplication is avoided and consistent information is provided to the public.

Objective 2.2. Involve the public in five-year updates of the Regional Solid Waste Management Plan. More frequent Plan revisions may be made as conditions warrant.

Objective 2.3. Standardize waste reduction services within the region to the extent possible to minimize confusion on the part of residents and businesses and construct cooperative promotion campaigns that cross jurisdictional boundaries.

**Goal 3 - Economics.** The costs and benefits to the solid waste system as a whole are the basis for assessing and implementing alternative management practices.

Objective 3.1. System cost (the sum of collection, hauling, processing, transfer and disposal) is the primary criterion used when evaluating the direct costs of alternative solid waste practices rather than only considering the effects on individual parts of the system.

Objective 3.2. The economic and environmental impacts of waste reduction and disposal alternatives are compared on a level playing field in order that waste reduction alternatives have an equal opportunity of being implemented.

Objective 3.3. After consideration of technical and economic feasibility, Metro will support a higher system cost for waste reduction practices to accomplish the regional waste reduction and recycling goals.

Objective 3.4. Government and private industry will work cooperatively to identify, explore and confirm the cost and reliability of emerging solid waste technologies.

Objective 3.5. Implement a system measurement program to provide data on waste generation, recycling and disposal sufficient for informed decision-making and planning.

**Goal 4 - Adaptability.** A flexible solid waste system exists that can respond to rapidly changing technologies, fluctuating market conditions, major natural disasters and local conditions and needs.

Objective 4.1. Implement an integrated mix of waste management practices to provide for stability in the event that particular alternatives become viable.

Objective 4.2. Government regulation is the minimum necessary to ensure protection of the environment and the public interest without unnecessarily restricting the operation of private solid waste businesses.

Objective 4.3. Facilities that handle, process, buy and sell source-separated recyclables remain in private ownership in order to maintain greater flexibility to rapidly respond to changing market conditions.

Objective 4.4. Integrate local solid waste solutions into the solid waste management system.

Objective 4.5. Solid waste facilities may be publicly or privately owned, depending upon which best serves the public interest. A decision on ownership of transfer and disposal facilities shall be made by Metro on a case-by-case basis.

Objective 4.6. Metro shall encourage competition when making decisions about transfer station ownership or regulation of solid waste facilities in order to promote efficient and effective solid waste services. Metro shall consider whether the decision would increase the degree of vertical integration in the regional solid waste system and whether that increase would adversely affect the public. Vertical integration is the control by a private firm or firms of two or more of the primary functions of a solid waste system - collection, processing, transfer and hauling and disposal.

**Goal 5 - Performance.** The performance of the solid waste system will be compared to measurable benchmarks on an annual basis.

**Goal 6 - Plan Consistency.** The Regional Solid Waste Management Plan shall be integrated with other Metro, state, local government, community and planning efforts and shall be consistent with existing Metro policies for managing solid waste.

Objective 6.1. The RSWMP shall be consistent with the adopted Region 2040 Plan and the Regional Framework Plan, when it is adopted.

Objective 6.2. The RSWMP shall be consistent with the State of Oregon Integrated Resource and Solid Waste Management Plan.

Objective 6.3. Each city and county shall provide appropriate zoning to allow planned solid waste facilities or enter into intergovernmental agreements with others to assure such zoning. Whether by outright permitted use, conditional use or otherwise, appropriate zoning shall utilize only clear and use objective standards that do not effectively prohibit solid waste facilities.

Objective 6.4. Metro and local governments shall work together to ensure that solid waste facilities and services are positive contributions to the region.

- a. For any community providing a solid waste "disposal site," as defined by ORS 459.280, Metro shall collect a fee to be used for the purpose of community enhancement.
- b. Solutions to the problems of illegal dumping and to other adverse impacts caused by changes in the waste management system shall be cooperatively developed.
- c. To the extent that tonnage limits and other locally imposed restrictions would prevent Metro from fully using its facilities to carry out this Plan, Metro reserves its authority to override such restrictions, after receiving public comment, by action of its council.

Objective 6.5. The RSWMP shall be recognized through city and county comprehensive plan policies and ordinances governing the siting, permit review and development standards for solid waste facilities.



## Waste Reduction Goals and Objectives

## Waste Reduction Goals and Objectives

**Goal 7 - Regional Waste Reduction Goal.** The regional waste reduction goal is to achieve a recovery rate of 62% as defined by state statute by the year 2005. Per capita disposal rates and reductions in waste generated attributable to waste prevention programs are also acknowledged to be key waste reduction indicators.

**Goal 8 - Opportunity to Reduce Waste.** Participation in waste prevention and recycling is convenient for all households and businesses in the urban portions of the region.

**Goal 9 - Sustainability.** Secondary resource management is a self-sustaining operation.

Objective 9.1. Include both direct and indirect costs in the price of goods and services such that true least-cost options are chosen by businesses, governments and citizens when making purchasing decisions.

Objective 9.2. Develop markets for secondary material that are stable and provide sufficient incentive for separation of recoverable material from other waste and/or the post-collection recovery of material.

Objective 9.3. Support an environment that fosters development and growth of reuse, recycling and recovery enterprises.

**Goal 10 - Integration.** Develop an integrated system of waste reduction techniques with emphasis on source separation, not to preclude the need for other forms of recovery such as post-collection material recovery.

## Facilities and Services Goals and Objectives

**Goal 11 - Accessibility.** There is reasonable access to solid waste transfer and disposal services for all residents and businesses of the region.

Objective 11.1. Extend and enhance the accessibility of the infrastructure already in place for the management of the waste stream for which the RSWMP is responsible. These responsibilities include all wastes accepted by general- and limited-purpose landfills, construction and demolition wastes, household hazardous waste and hazardous waste from conditionally exempt generators.

Objective 11.2. Provide reasonable access through new transfer or reload facilities if it becomes evident that waste reduction practices and existing transfer and disposal infrastructure will be unable to keep pace with the future demand for disposal services.

**Goal 12 - Recovery Capacity.** A regionally balanced system of cost-effective solid waste recovery facilities provides adequate service to all waste generators in the region.

**Goal 13 - Toxics Reduction.** Protect the environment, residents of the region and workers who collect, transport, process and dispose of waste by educating residents of the region on methods eliminating or reducing the risks arising from hazardous materials.

Objective 13.1. Manage hazardous waste based on the Environmental Protection Agency's hierarchy of "reduce, reuse, recycle, treat, incinerate and landfill."

Objective 13.2. Educate residents of the region about alternatives to the use of hazardous products, proper use of hazardous products, how to generate less hazardous wastes and proper disposal methods for hazardous waste.

Objective 13.3. Provide convenient, safe, efficient and environmentally sound disposal services for hazardous waste that remains after implementing prevention and reuse practices.

**Goal 14 - Disaster Management.** In the event of a major natural disaster such as an earthquake, windstorm or flood, the regional solid waste system is prepared to quickly restore delivery of normal refuse services and have the capability of removing, recycling and disposing of potentially enormous amounts of debris.

Objective 14.1. Provide both accurate and reliable information for use in predicting the consequences of a major disaster and an inventory of resources available for responding to and recovering from disasters.

Objective 14.2. Develop a phased response plan that coordinates emergency debris management services and maximizes public health and safety.

Objective 14.3. Develop a recovery plan that maximizes the amounts of materials recovered and recycled and minimizes potential environmental impacts.

Objective 14.4. Provide for innovative and flexible fiscal and financial arrangements that promote efficient and effective implementation of response and recovery plans.

Objective 14.5. Ensure the coordination and commitment of local, state and federal governments and the private sector.

**Goal 15 - Facility Regulation.** Metro's methods for regulatory control of solid waste facilities will include a system of franchising, contracting, owning and/or licensing to ensure that disposal and processing facilities are provided and operated in an acceptable manner.

## **Metro Revenue System Goals and Objectives**

**Goal 16 - Revenue Equity and Stability.** To ensure that the Metro solid waste revenue system is adequate, stable, equitable and helps achieve the goals of the Regional Solid Waste Management Plan.

Objective 16.1. Charges to users of Metro-owned disposal facilities will be reasonably related to disposal services received. Charges to residents of the Metro service district who may not be direct users of the disposal system should be related to other benefits received.

Objective 16.2. There will be sufficient revenues to fund the costs of the solid waste system.

Objective 16.3. The revenue system will help the region accomplish management goals such as waste reduction and environmental protection.

CW #1




CITY OF  
**PORTLAND, OREGON**

COMMISSIONER ERIK STEN

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TO: Mayor Vera Katz  
Commissioner Jim Francesconi  
Commissioner Randy Leonard  
Commissioner Dan Saltzman

FROM: Erik Sten 

SUBJECT: Valuation of Ecosystem Services Briefing to Metro Council

DATE: March 1, 2004

Metro President David Bragdon has asked some of our staff and consultants to provide an informal briefing to the Metro Council at their March 9, 2004 work session about the City of Portland's valuation of ecosystem services project. An update on Portland's work is relevant now because Metro is discussing its economic analysis of various Goal 5 options. Metro is trying to determine a way to value environmental benefit on a large region-wide scale.

The Endangered Species Act Program, involving many other city bureaus, has developed a straightforward blueprint to value the environmental work we do in financial terms. While it is still draft, the work complements Metro's approach because it is very detailed and site-specific, focusing on a 140-acre site on Johnson Creek in the Lents neighborhood. It provides a quantifiable example of the value of ecosystem services and demonstrates how a "green" approach to flood management provides a significant return on investment.

The bottom line: Portland's work shows that green solutions provide significant environmental and economic benefits and improve taxpayers' and ratepayers' return on their investments. Factoring the economic benefits of environmental improvements into our decision-making has the potential to reduce long-term costs and improve the performance of our environmental management actions.

### Summary of the City's Ecosystem Services Work

The City of Portland contracted with David Evans and Associates, Inc. and ECONorthwest to develop and test a system for documenting the economic value of ecosystem services. Some of the services provided by ecosystems include water supply, fish and wildlife habitat, air purification, erosion control, etc. The system was tested and refined using the Lents Flood Abatement Project from the Johnson Creek Restoration Plan as a case study. The Lents project's objective is to store water generated by nuisance floods by restoring the creek's natural floodplain.

Page Two  
Memo to City Council  
March 1, 2004

The consultants were able to quantify the economic value of five ecosystem services generated by the Lents project:

- Flood management;
- Habitat for salmon and birds;
- Air quality improvement (removal of ozone, sulfur dioxide, carbon monoxide, carbon, particulates);
- Water quality improvement (sediment, etc.); and,
- Recreational opportunities and increased property values.

### **Preliminary Findings**

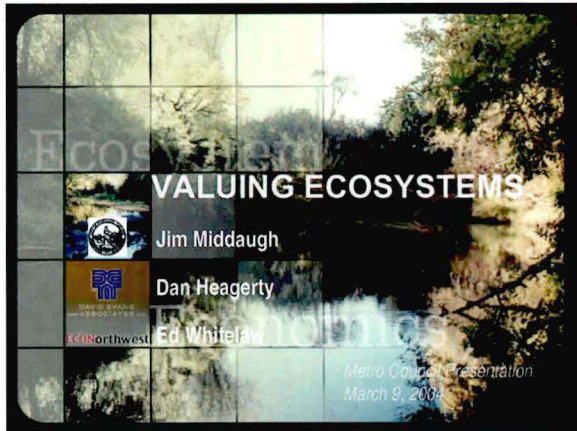
By taking into consideration the multiple benefits of an environmental approach for the Lent's Flood Abatement Project, the team calculated that it would likely provide more than \$30,000,000 in economic value to the public over a 100-year timeframe. By comparison, a hypothetical alternative of a buried pipe and pump system to achieve the same flood abatement goal would accrue only \$15,000,000 in economic value to the public during the same 100-year timeframe at a much higher cost.

### **Next Steps**

The consultants' report will be finalized in approximately 30 days. Staff are now beginning to discuss other opportunities for using this analytical system to guide our decision-making; for example, valuing the long-term costs and benefits of storm water management strategies and habitat restoration actions. When the report is complete, I will share it with you. If there is interest, I will be happy to arrange for a Council briefing by the staff and consultants.

Again, I think we have all known for some time that environmental solutions make environmental and economic sense. The recent work by City staff and consultants provides important, quantifiable documentation. This approach to environmental management provides a more complete understanding of costs and benefits and will help inform some of the very important decisions we face regarding the Clean Water Act, ESA, Superfund, State Land Use Goal 5 and other obligations.

c. Gil Kelley  
Dean Marriott  
Jim Middaugh




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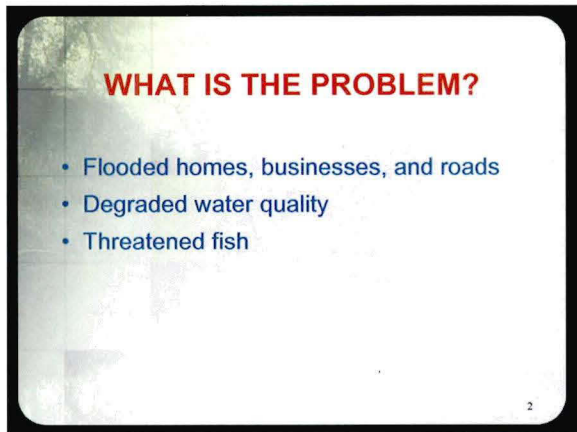
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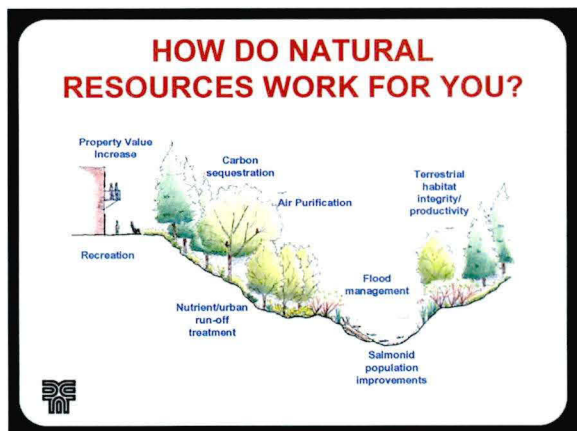
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## WHY VALUE ECOSYSTEM SERVICES?

- Enhance project and policy decision making
  - Account more fully for costs and benefits
  - Identify full range of stakeholders
- Promote system stability for decreased risk and quality of life
- Limit external cost dependencies

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## IDENTIFY ECOSYSTEM SERVICES

Ecosystem condition or process	Benefits (enhance well-being)	Goods (yield economic utility or satisfy an economic want)
• Water purification	<ul style="list-style-type: none"> <li>• Clean water</li> <li>• Aquatic species population stabilization</li> </ul>	<ul style="list-style-type: none"> <li>• Potable water</li> <li>• Avoided CWA &amp; ESA compliance costs</li> <li>• Avoided water treatment costs</li> <li>• Increased recreation</li> </ul>
• Biodiversity maintenance	<ul style="list-style-type: none"> <li>• Population stabilization</li> <li>• Habitat for migratory species</li> <li>• Refugia for at risk species</li> </ul>	<ul style="list-style-type: none"> <li>• Bird watching</li> <li>• Sport fishing</li> <li>• Fewer ESA listings, or avoided ESA compliance costs</li> </ul>
• Air purification	<ul style="list-style-type: none"> <li>• Clean air (O3, NOx, SO2, Particulates)</li> <li>• Reduced green house gas accumulation</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced respiratory illness</li> <li>• Avoid CAA compliance costs</li> </ul>

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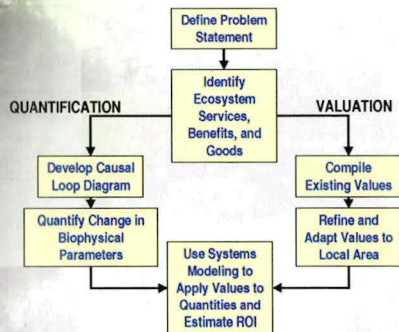
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## HOW DOES ANALYSIS WORK?



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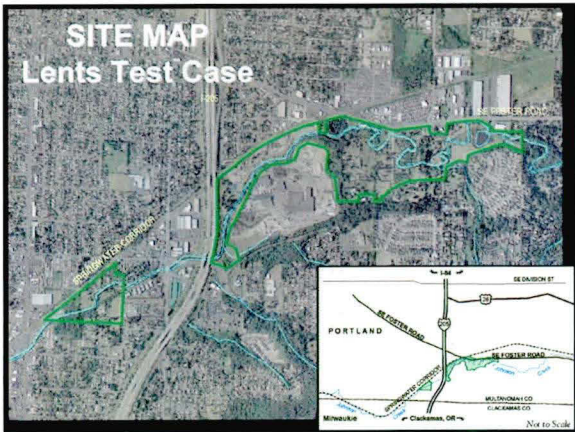
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### ANALYTICAL STEPS

- System thinking - understand type of relationships (does water temperature decrease as shading increases?)
- Biophysical modeling - quantify change in biophysical conditions from current condition to potential impacted or restored condition
- Economic modeling - quantify change in economic conditions

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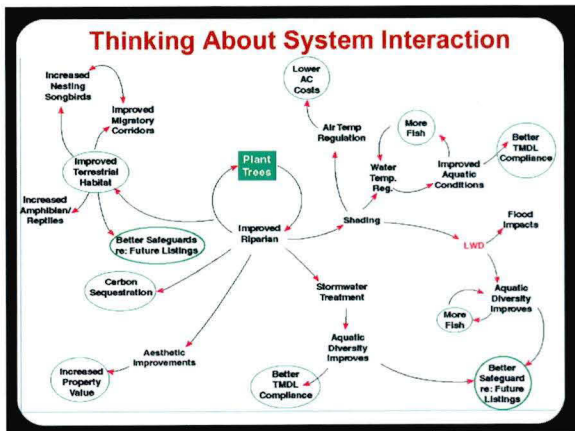
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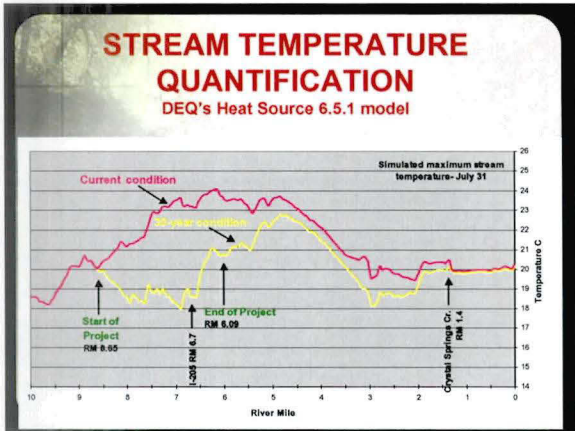
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- ### AIR PURIFICATION QUANTIFICATION
- American Forests' CITYgreen model
- Air pollution removal (O<sub>3</sub>, SO<sub>2</sub>, NO<sub>2</sub>, CO, and PM<sub>10</sub> removed)
  - Carbon storage and sequestration
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- ### EXAMPLE VALUES OF ECOSYSTEM SERVICES
- Salmon recovery (Helvoigt & Montgomery 2003)
  - Water quality (Woodward & Wu 2001)
  - Property values (Lutzenhiser & Netusil 2001)
  - Air quality (American Forests, US OMB, CA Energy Com.)
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## PRELIMINARY RESULTS

Ecosystem Services	Value accrued over 100 years (reported in 2002 \$)	Percent of Long-Term Value
Bird Habitat	\$ 1,600,461	5%
Salmonid Habitat	\$ 4,105,603	13%
Avoided Flooding	\$14,694,387	47%
Air Pollution Removal	\$ 2,544,635	8%
Water Quality Improvement	\$ 2,388,982	8%
Increased Property Value	\$ 2,832,346	9%
Recreational Opportunities	\$ 3,108,225	10%
<b>Gross Benefits</b>	<b>\$31,274,639</b>	<b>100%</b>

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## COMPARISON




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## CONCLUSIONS

- Quantification of economic value of ecosystem services informs decision making
- Analysis provides evidence that protecting or restoring ecosystem services generates economic benefits

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# SENSITIVITY ANALYSIS

Flooding Costs and some Ecosystem Services Values can be adjusted between reasonable high and low estimates. Move the slider bars to model the effects of varied project costs and values of ecosystem services.

[Restore Sliders](#)

### FLOOD COST ESTIMATES

**Foster Road Closure Costs/Vehicle**  
 10000 - 20000

**Residential Flooding Costs**  
 10000 - 20000

**Business Flooding Costs**  
 10000 - 20000

**CCP Flooding Costs**  
 10000 - 20000

**Utility Line Flooding Costs**  
 10000 - 20000

The duration of the flooding event is important to the total cost of flooding. According to Lake business owners, the average length of the effects of the flood events is between 2 and 24 hours. Move the slider to model the effects of different lengths of closure and traffic delays on Foster Road.

**Flood Duration**  
 2 - 24

**Motorist Delay Time**  
 0 - 24

### AIR QUALITY VALUE ESTIMATES

**Carbon Monoxide \$/lb removed**  
 10000 - 20000

**Carbon Sulfur removed**  
 10000 - 20000

**Particulate Matter (10) \$/lb removed**  
 10000 - 20000

**Sulfur Dioxide \$/lb removed**  
 10000 - 20000

**Ozone \$/lb removed**  
 10000 - 20000

### RECREATION VALUE ESTIMATES

**Annual Park Visitation Estimate**  
 10000 - 20000

**Recreation Value per Visitor**  
 10000 - 20000

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**DRAFT****METRO****2006-09 Transportation Priorities:***Investing in the 2040 Growth Concept***Calendar of Activities****2004**

<b>February-March</b>	Policy Review and Direction for 2006-09 Program.
<b>February 24</b>	Council Work Session on policy direction.
<b>February 27</b>	TPAC comment on policy direction.
<b>March 3</b>	MTAC comment on policy direction.
<b>March 9</b>	Possible Council Work Session on policy direction.
<b>March 10</b>	MPAC comment on policy direction.
<b>March 11</b>	JPACT action on policy direction.
<b>March 18</b>	Metro Council action on policy direction.
<b>March</b>	Update of Technical Criteria to reflect Program policy direction. Development of application, set funding targets.
<b>March 19</b>	MTIP Subcommittee review/comment on draft application, technical criteria and measures.
<b>March 26</b>	TPAC review/comment on draft application, technical criteria and measures.
<b>April 5</b>	Solicitation of project/program applications begins.
<b>June 30</b>	Applications due to Metro. Draft ODOT STIP submitted for comment. Draft TriMet TIP submitted for comment.
<b>July</b>	Review of scope, schedule and budget. Score technical rankings.
<b>August</b>	MTIP Subcommittee review of technical rankings, ODOT STIP and TriMet TIP
<b>August 27</b>	TPAC action on First Cut List.
<b>September 9</b>	JPACT action on First Cut List.

# **DRAFT**

- September 16** Metro Council action on First Cut List.
- October-Nov.** Public comment period, listening posts on First Cut List, ODOT STIP and TriMet TIP.
- December** Publish public comment material. Policy discussion and direction on narrowing Final Cut List and draft ODOT STIP and TriMet TIP.

## **2005**

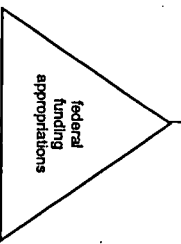
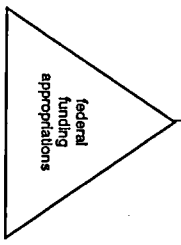
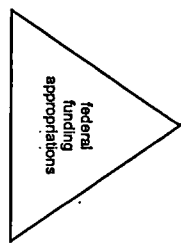
- January** Develop any new information to respond to narrowing policy direction.
- January** MTIP Subcommittee review of new information.
- January 28** TPAC action on Final Cut List and Final ODOT STIP and TriMet TIP.
- February 3** Public hearing on draft Final Cut List at Metro Council and Final ODOT STIP and TriMet TIP.
- February 10** JPACT action on Final Cut List and Final ODOT STIP and TriMet TIP pending air quality analysis.
- February 16** Metro Council action on Final Cut List and Final ODOT STIP and TriMet TIP pending air quality analysis.
- March - May** Programming of funds. Air quality conformity analysis.
- June** Public review of draft MTIP with air quality conformity analysis.
- July 1** Adopt MTIP, including final ODOT STIP and TriMet TIP, and submit to USDOT for concurrence.
- August 1** Receive concurrence from USDOT; submit to ODOT for incorporation into STIP.

**2006-2009 STIP DEVELOPMENT TIMELINE**

STATE FISCAL YEAR		2002-2005 STIP in place	2004-2007 STIP in place
CALENDAR YEAR		2003	2004
Mar 2003	2003	Begin 06-09 STIP update, begin data collection	
Apr	2003	Data collection	
May	2003	Data collection complete, compile information	
June	2003	Develop funding allocation scenarios	
July	2003	Develop funding allocation recommendation	
Aug	2003	Assemble materials for stakeholder input and OTC	
Sept	2003	Program goals distributed to OTC, stakeholders, ACTs, MPOs and RCST	
Oct	2003	OTC / ODOT Management discussions on goals for 06-09 STIP	
Nov	2003	Stakeholder, ACT, MPO and RCST input to program goals	
Dec	2003	OTC approves program funding levels for 06-09 STIP	
Jan 2004	2004	Project selection / scoping	
Feb	2004	Project selection / scoping	
Mar	2004	Project selection / scoping	
Apr	2004	Project selection / scoping	
May	2004	Regions prepare draft program for review by stakeholders	
June	2004	Regions prepare draft program for review by stakeholders	
July	2004	ACTs, MPOs, RCSTs and OTC review of Draft STIP	
Aug	2004	OTC reviews proposed projects subject to Criteria	
Sept	2004	Print and mail Draft STIP. Begin public review of Draft STIP	
Oct	2004	Public review of Draft STIP	
Nov	2004	Public review of Draft STIP	
Dec	2004	ACTs, OTC and Regions review public input	
Jan 2005	2005	Adjust program if necessary	
Feb	2005	Air quality conformity determinations and modeling	
Mar	2005	Air quality conformity determinations and modeling	
Apr	2005	Air quality conformity determinations and modeling. Start constraining	
May	2005	Air quality conformity determinations and modeling. Constrain STIP to estimated available revenue	
June	2005	Add MPO TIPs and prepare Final STIP for review	
July	2005	Review of Final STIP by ACTs, MPOs, RCSTs and OTC	
Aug	2005	OTC approval of Final 06-09 STIP. Submit to Federal DOT	
Sep	2005	Federal DOT review. MTIPs to governor for signature	
Oct	2005	Federal DOT review	
Nov	2005	Federal DOT approval of Final 06-09 STIP	

Ongoing State and Local Planning Activities

LEGISLATIVE SESSION  
Ongoing State and Local Planning Activities



STIP = Statewide Transportation Improvement Program    ACT = Area Commission on Transportation    RCST = Regional Community Solutions Team    MPO = Metropolitan Planning Organization  
 Transportation Commission    ODOT = Oregon Department of Transportation    DOT = Department of Transportation    OTC = Oregon



## STAFF REPORT

### CONSIDERATION OF RESOLUTION NO. 04-3431 FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION, PROGRAM OBJECTIVES, PROCEDURES AND CRITERIA FOR THE TRANSPORTATION PRIORITIES 2006-09 ALLOCATION PROCESS AND METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP).

March 18, 2004

Presented by: Ted Leybold

## PROPOSED ACTION

This resolution would approve a report outlining the policy direction, program objectives, and procedures that will be used during the Transportation Priorities 2006-09 Allocation Process and MTIP update to nominate, evaluate, and select projects to receive federal transportation funds in the fiscal year 2008-09 biennium.

## BACKGROUND

The Metro Council and the Executive Officer are preparing a request to local jurisdictions to submit projects to Metro for evaluation and award of regional flexible transportation funding. Regional flexible transportation funds are those portion of federal funds accounted for in the MTIP that are allocated through the JPACT/Metro Council decision-making process. This process is referred to as the Transportation Priorities 2006-09 allocation.

Metro and ODOT update the MTIP/STIP every two years to schedule funding for the following four-year period. The Transportation Priorities 2006-09 allocation encompasses the four-year period of federal fiscal year's 2004 through 2007 (FY 06 - FY 09). This update will therefore adjust, as necessary, funds already allocated to projects in FY 06 and FY 07 in the current approved MTIP. It will also allocate funds to new projects in the last two years of the new MTIP (i.e., FY 08 and FY 09).

The regional flexible funds available in the Transportation Priorities 2006-09 allocation is composed of two types of federal transportation assistance, which come with differing restrictions. The most flexible funds are surface transportation program (STP) funds that may be used for virtually any transportation purpose, identified in the Financially Constrained RTP, short of building local residential streets.

The second category of money is Congestion Mitigation/Air Quality (CMAQ) funds. CMAQ funds cannot be used to build new lanes for automobile travel. Also, projects that use CMAQ funds must demonstrate that some improvement of air quality will result from building or operating the project.

Prior to the previous Transportation Priorities allocation process and MTIP update a major outreach effort led to the adoption of a report outlining the policy direction, program objectives, and procedures to be used during the Transportation Priorities 2004-07 Allocation Process and MTIP update. Since that time, several policy issues have emerged that potentially affect the Transportation Priorities process and MTIP. Following is a summary of those issues and recommended changes to address them. Exhibit A is an amended version of the existing policy report, reflecting recommended changes to provide policy direction, program objectives and procedures for the Transportation Priorities 2006-09 allocation process and MTIP update.

The format of this summary is to identify the policy issues that have emerged since adoption of the existing policy report and to list options for addressing the policy issue, and highlight in bold those

options that are recommended. If the recommendation includes changes to the existing policy report, Exhibit A highlights those proposed changes in underline/strikeout text.

## 1. Integration of General Program Policies with 2004-07 Final Cut List policy direction

During the 2004-07 Transportation Priorities process, JPACT directed technical staff on how to provide recommendations to narrow from the First Cut list to a Final Cut list. This direction included policies that could be considered as an update to general program policies for the 2006-09 Transportation Priorities process.

A. One policy directive received during the 2004-07 Final Cut list policy direction process was to direct staff to develop a recommendation that funded projects in mixed-use centers, main streets, station communities and industrial areas. TPAC recommends the following option to integrate this policy direction into the general program policies for the Transportation Priorities process.

### Option:

a. **Change the general policy direction statement regarding priority land used areas from “centers” to “2040 Tier I and II mixed-use areas (central city, regional centers, town centers, main streets and station communities)”.**

Corridors are not included as the policy direction received from JPACT and the Metro Council during the 2004-07 final cut list process specified the addition of main streets and station communities as the 2040 mixed use areas as the areas where projects should be included in addition to centers. Additionally, while corridors were included as a Tier II priority mixed use area for their potential to accommodate mixed-use development, this potential was optional at the discretion of local land use planning. The implementation of local planning generally did not locate mixed use comprehensive plan designations or zoning in corridors. Finally, the inclusion of corridors as a priority land use for Transportation Priorities funding would significantly dilute the ability to concentrate transportation investments in areas that have the most potential to meet the other program goals.

Industrial lands are already addressed in the current program policy statement and do not need to be changed.

The result of this change would be:

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - centers, 2040 Tier I and II mixed-use areas (central city, regional centers, town centers, main streets and station communities)
  - 2040 Tier I and II industrial areas (regionally significant industrial areas and industrial areas), and
  - 2040 Tier I and II mixed-use and industrial areas within UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems
- Develop a multi-modal transportation system

B. A second policy directive received from JPACT and the Metro Council during the 2004-07 final cut

list process was to direct staff to develop a recommendation of projects and programs that emphasized non-road and bridge projects.

Following are options considered by TPAC of how this policy direction could be implemented within the Transportation Priorities policies and process. TPAC unanimously recommended actions b and d below as highlighted in bold.

Options:

- a. Eliminate road modernization/reconstruction and bridge as mode categories. (Currently, freeway interchange projects and preliminary engineering of projects for addition of new freeway lanes are eligible for funding. Projects to acquire right of way or to construct new freeway capacity are not eligible.)
- b. Strengthen policy statement on purpose of regional flexible funds to indicate that JPACT and Metro Council intend to fund a package of projects and programs with a strong emphasis on non-road and bridge projects.**

The result of this change would be as follows:

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - 2040 Tier I and II mixed-use areas (central city, regional centers, town centers, main streets and station communities)
  - 2040 Tier I and II industrial areas (regionally significant industrial areas and industrial areas), and
  - 2040 Tier I and II mixed-use and industrial areas within UGB expansion areas with completed concept plans.

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems
- Develop a multi-modal transportation system with a strong emphasis on funding non-road and bridge modernization projects.

- c. Change local match requirements to increase the percentage required for road and bridge projects outside of Tier I and town center land use areas.
- d. Change local match requirements to decrease the percentage required for bicycle projects in areas outside of Tier I and town center land use areas to the federally allowed maximum of 89.73%.**

TPAC had extensive debate about and was split on whether to recommend option e below as a means of implementing an emphasis on non-road and bridge projects. The committee recognized that this option would be a means of ensuring that each coordinating committee apply for some projects other than road or bridge projects in support of the policy direction and to ensure there would be an adequate pool of CMAQ eligible projects.

There were concerns expressed, however, that such a limit would impede on a local jurisdictions ability to determine their local priorities even if they want to compete with such a project knowing that JPACT/Metro Council intends to fund a package of projects and programs with a strong emphasis on

non-road and bridge projects. Concern was also expressed that road projects are often a means of providing bicycle and pedestrian projects where they do not currently exist and that cutting back on this category impedes the ability to provide these facilities where needed as they would not be constructed as stand alone pedestrian or bicycle projects.

*e. Limit the total cost of road modernization, road reconstruction and bridge project applications to a percentage of the cost target for each coordinating committee equal to the percentage of regional flexible funds represented by STP funds.*

**2. Update the policy report to account for the additional funding resources provided by the recent Oregon Transportation Investment Acts (OTIA I – III).**

TPAC recommends the following language be added to the policy report following the description of transportation funding in the region.

Recent acts by the state legislature have provided one-time revenue sources for transportation improvements in the region. This includes \$22 in motor vehicle capacity projects in OTIA I & II, a portion of the expected \$31 million for capacity projects in OTIA III and a portion of OTIA III funds targeted for freight mobility, industrial access and job creation (\$100 million state wide). These funds directly supplement the construction of motor vehicle capacity projects in the region.

Additionally, \$34 in highway modernization and \$158 million in highway, bridge and road reconstruction funding programmed to this region for expenditure by 2010. These highway funds will be supplemented by highway projects of statewide significance (\$100 million statewide), and match to OTC-requested federal earmarks (\$200 million statewide) that will be programmed to this region by Oregon Transportation Commission.

This increase in state revenue dedicated to road maintenance, road expansion and bridge repair and reconstruction represents the first major increase in state resources in more than a decade. Prior to this increase, regional flexible funds were used to fund a number of highway capacity projects, such as the I-5/Highway 217 interchange, capacity improvements on Highway 26, the Tacoma Street over crossing of Highway 99E and the Nyberg Road interchange.

However, these allocations were made with the knowledge that no other resources were available for these improvements, and at the expense of smaller, multi-modal improvement that could have been funded with regional flexible funds, instead. A key policy issue in this MTIP update is to determine degree to which the current increase in state highway revenue argues for less emphasis on such projects with regional flexible funds. Currently, main-stem highway capacity improvements are limited under the existing MTIP policies, but there is no limit on allocation for road expansion, highway interchanges, or Preliminary Engineering for major capacity projects.

**3. Direction on funding of Bicycle and Pedestrian transportation control measures for air quality**

The Transportation Priorities funding in 2006-07 did not meet the biennial average for providing miles of pedestrian (1.5 miles) and bicycle (5 miles) improvements but had to rely on an ODOT preservation project and over building from previous years to meet this requirement as reported in the 2004-07 MTIP. These requirements are in addition to facilities constructed as a part of road modernization and reconstruction projects. Adding a policy directive to fully implement the biennial average requirement for the provision of pedestrian and bicycle facilities would be consistent with federal guidance that states “the

TIP shall give priority to eligible Transportation Control Measures identified in the approved SIP in accordance with the US EPA conformity regulation (40 CFR part 51) and shall provide for their timely implementation." Federal Register Vol. 58, No. 207; Section 450.324 (d).

**TPAC recommends the general program policy statement be updated to state that the Transportation Priorities process will fund a minimum of the average biennial requirement for implementation of the pedestrian and bicycle improvements required by the State Implementation Plan for air quality.**

The effect of this recommendation would be:

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - 2040 Tier I and II mixed-use areas (other than corridors)
  - industrial areas and
  - 2040 Tier I and II mixed-use (other than corridors) and industrial areas within UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems
- Develop a multi-modal transportation system with a strong emphasis on funding non-road and bridge modernization projects.
- Meet the average biennial requirements of the State Implementation Plan for air quality for the provision of pedestrian and bicycle facilities

#### **4. Functional Plan compliance as Screening Criteria for Transportation Priorities funding**

At their March 3<sup>rd</sup> meeting, MTAC reviewed the policy update for the 2006-09 Metropolitan Transportation Improvement Program (MTIP) and Transportation Priorities funding allocation process. Several committee members suggested the policy bodies consider adding compliance with the Metro functional plan as a screening criteria of eligibility to apply for Transportation Priorities funding. This would provide an incentive for local jurisdictions to complete the planning work necessary to comply with the regional functional plan and ensure that regional transportation funding is more closely linked to local implementation of regional growth management policies.

TPAC recommends that the following language be added to the MTIP policy report and Transportation Priorities application.

**The applicant jurisdiction is in compliance with the Metro functional plan or has received an extension to complete compliance planning activities. If the applicant jurisdiction is not in compliance or has not received an extension, it must provide documentation of good faith effort in making progress toward accomplishment of its compliance work program. The work program documentation must be considered by governing body of the applicant jurisdiction at a meeting open to the public and submitted to Metro prior to the release of the draft technical evaluation of project applications by Metro staff.**

#### **5. Relationship of street connectivity to the technical evaluation of Road Modernization ranking category**

Currently, congestion relief, cost-effectiveness of providing congestion relief, safety and 2040 land-use impacts are the four evaluation criteria for road modernization projects. Metro has adopted as part of the region's Congestion Management System policies standards for providing street connectivity prior to adding capacity to existing roads. However, the Transportation Priorities technical evaluation does not provide any technical evaluation of whether or how road capacity projects address the street connectivity standards.

Implementation of Title 6 of the Metro Functional Plan, however, provides that local development codes will provide for increased local street connectivity to the regional system over time as development occurs. Ensuring compliance with Title 6 of the Metro functional plan by applicant agencies, as recommended in item 4 above, addresses a large portion of meeting street connectivity requirements through requiring local street connections to the regional street system as development occurs. There are components of the regional system that are not yet built, however, that could also increase the overall connectivity of the street network.

Following are options considered by TPAC of how this policy direction could be implemented within the Transportation Priorities policies and process. Recommended actions are highlighted in **bold**.

Options:

- a. No change to the existing road modernization evaluation criteria.
- b. Add street connectivity as an evaluation criteria to the road modernization category.
- c. **Direct the MTIP Subcommittee and TPAC to evaluate whether a bonus point system for road modernization projects can be developed that adequately defines a methodology to reward a project that increases street connectivity.**
- d. **Clarify in the application that collector projects defined as a part of the regional transportation system are eligible projects for Transportation Priorities funding and if contributing to increased street connectivity are encouraged for application.**

**6. Direction on Intelligent Transportation Systems (ITS)**

While this category of projects has received several allocations of regional funding in the past, the Transportation Priorities process did not provide any funding for ITS in 2006-07. This is an eligible CMAQ activity and means of increasing the efficiency of existing road infrastructure. An ITS subcommittee of TPAC is in the process of being created to formally organize implementation of these technologies on a regional scale. Currently, there is no policy direction within the Transportation Priorities program regarding ITS. It has been technically ranked with road capacity projects.

Following are options considered by TPAC of how this policy direction could be implemented within the Transportation Priorities policies and process. Recommended actions are highlighted in **bold**.

Options:

- a. **No changes this round – charge ITS subcommittee to develop recommendations for 2008-2011 Transportation Priorities process. The recommendation should address the positive and negative aspects of ranking ITS projects with road modernization projects and as a separate ranking category. The subcommittee could also recommend changes to the road modernization technical ranking criteria if ITS projects remain within that ranking category.**
- b. Create a separate technical evaluation category for ITS projects. (Note: the addition of bonus points for street connectivity and the existing bonus points for the inclusion of green street design elements for road modernization projects would penalize ITS projects if left in the road modernization ranking category, unless other adjustments are made.)

- c. If other policy limits (such as the limit on the total cost of road modernization projects for which each coordinating committee may apply) are placed on road projects, exempt ITS projects.
- d. **Have the ITS subcommittee review and comment on the technical rankings of the 2006-09 Transportation Priority ITS candidate applications.**

## **7. Regionally Significant Industrial Lands**

The Regional Transportation Plan has been amended to recognize regionally significant industrial lands as a Tier I 2040 land-use priority over other industrial lands subsequent to the policy update of the 2004-07 Transportation Priorities process.

**TPAC recommends the technical scoring for freight and road projects will be updated to award more points to projects that serve regionally significant industrial lands as a Tier I priority and other industrial lands as a Tier II priority to be consistent with the update to the Regional Transportation Plan.**

## **8. ODOT applications to supplement STIP projects**

In an effort to improve the delivery of transportation services in the region and coordination between ODOT and regional/local policy objectives, ODOT and Metro staff have discussed the possibility of early notification of ODOT preservation projects to allow for application for regional flexible funds, supplemental ODOT funds, and local funds to address missing or substandard facilities for pedestrians and/or bicycles as a part of the preservation project.

**TPAC recommends that ODOT staff work with local agency partners to consider joint local, regional or supplemental state funding for missing elements of pedestrian and bicycle facilities along state facilities proposed for pavement preservation work in the 2006-09 STIP. This may result in ODOT application for Transportation Priority funds to provide for these improvements. Requests for local or regional funds should be made in context of coordination with the STIP to fully disclose need for additional funds for state projects and to understand the potential impacts to preservation project schedules and other state transportation programs within the region.**

## **9. Green Streets**

### **- Green Trails**

The Metro Parks and Greenspaces Department has recently published a best practices guidebook on the construction of trails and multi-use paths in an environmentally sensitive manner.

Following are options considered by TPAC of how this policy direction could be implemented within the Transportation Priorities policies and process. Recommended actions are highlighted in bold.

#### Options:

- a. **Require all multi-use paths funded through Transportation Priorities be constructed consistent with the design guidelines of the Green Trail handbook.**



- b. Require all multi-use paths funded through Transportation Priorities consider the design guidelines of the Green Trail handbook during project development.
- c. Award technical bonus points for projects that commit to meeting particular design elements of the Green Trail handbook as identified by TPAC.

#### **- Use of Recycled Materials in Transportation Projects**

After the application process for the 2004-07 Transportation Priorities process had begun, program staff received a request from Metro Solid Waste and Recycling staff for inclusion of recycled materials for projects funded by the Transportation Priorities program. This is an effort to address a Federal Highway Administration (FHWA) directive to consider using recycled materials on transportation projects and to increase the market for recycled materials.

Following are options considered by TPAC of how this policy direction could be implemented within the Transportation Priorities policies and process. Recommended actions are highlighted in bold.

#### Options:

- a. **Incorporate educational statement in Transportation Priorities and MTIP supporting FHWA directive that when selecting materials for transportation projects, recycled materials should be considered first.**
- b. Award bonus points for commitment to certain level of use of recycled materials in road and multi-use path projects as identified by TPAC.
- c. **Assign the MTIP Subcommittee and TPAC to work with professional experts in this field to study this issue and develop recommendations on how to further address it in the 2008-11 Transportation Priorities process.**

#### **- Wildlife Crossings**

The Transportation Planning section was a project client for a Portland State University urban planning masters program effort to develop a supplemental best practices guidebook to constructing wildlife crossings into transportation facilities.

TPAC did not recommend any changes to the 2006-09 Transportation Priorities policies or process to address wildlife crossings described below as it was informed that Metro intended to submit an application to further study this issue with technical staff from across the region and develop a regionally recognized best practices guidebook and potential regional policy amendments.

#### Options:

- a. Award bonus points for commitment to create a wildlife crossing within a road project demonstrated to be in a wildlife crossing location.
- b. List as a specific qualitative criteria for consideration and allow deduction of cost of wildlife crossing elements from the cost-effectiveness calculation.

## ANALYSIS/INFORMATION

1. **Known Opposition:** Staff of the City of Cornelius has expressed concern that the proposed amendment to add compliance with the Metro functional plan as an eligibility screen for Transportation Priorities funds might be a costly obstacle for smaller communities. It was expressed that smaller communities already have a difficult time competing with the bigger and more singular focused projects of bigger jurisdictions.

City of Forest Grove staff has expressed concern that proposed changes to emphasize non-road and bridge projects would have a negative effect on a small jurisdictions ability to complete their local priority projects.

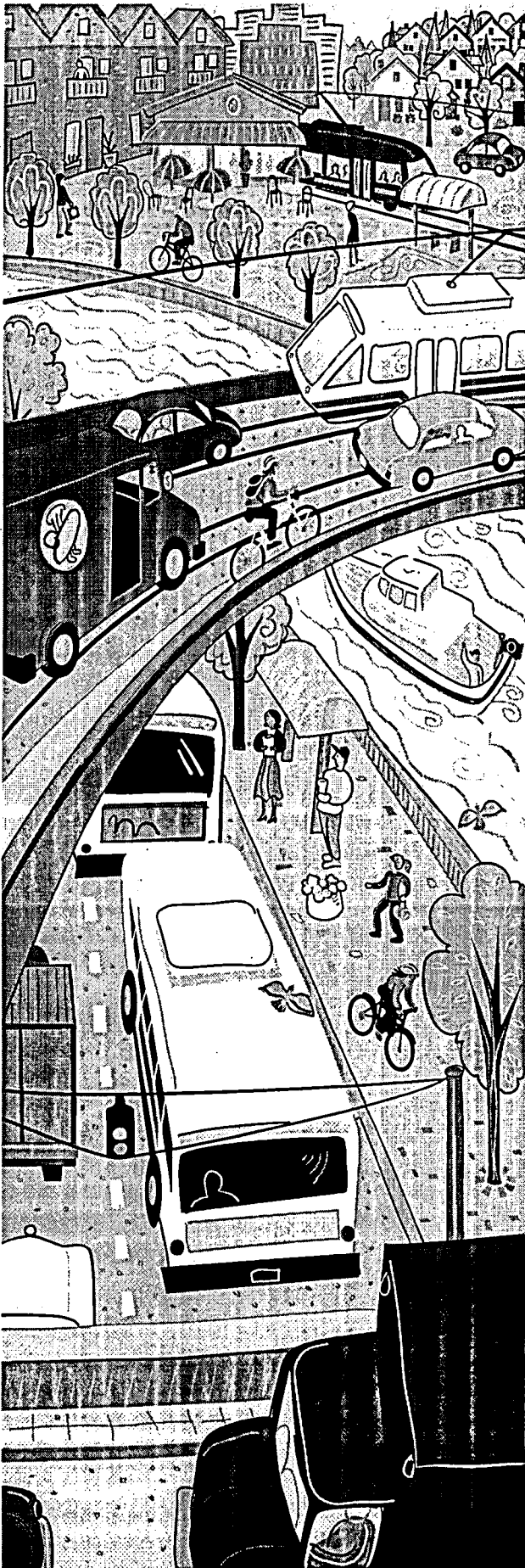
2. **Legal Antecedents:** Federal planning regulations designate JPACT and the Metro Council as the Portland Area Metropolitan Planning Organization responsible for allocating federal highway and transit funds to projects in the metropolitan area. Preparation of an MTIP is the means prescribed for doing this. JPACT and the Metro Council have adopted a policy direction for the Transportation Priorities 2004-07 allocation process and MTIP update through Metro Resolution No. 02-3206. This Resolution updates that policy direction for the Transportation Priorities 2006-09 allocation process and MTIP update by amending the policy report as shown in Exhibit A. Projects approved for inclusion in the MTIP must come from a conforming, financially constrained transportation plan. The 2004 RTP is the current conforming plan.
3. **Anticipated Effects:** Adoption of this resolution will provide policy guidance to the process of allocating regional flexible transportation funds. This new policy guidance will refine how Metro staff solicits projects for funding, how project applications will be technically ranked for policy implementation, the public outreach and decision making process to select projects for funding and the ability to analyze and provide public information concerning the effectiveness of the MTIP program in addressing program policies.
4. **Budget Impacts:** none.

## RECOMMENDED ACTION

Metro Council approve Resolution No. 04-3431.

TL: RC

EXHIBIT "A" Res. 04-3431



**Transportation Priorities  
2006-09 Allocation Process  
and Metropolitan  
Transportation Improvement  
Program Update**

# **Policy Report**

**March 8, 2004**

*TPAC recommendation to JPACT  
and Metro Council*



**METRO**

PEOPLE PLACES  
OPEN SPACES

CW#3

EXHIBIT "A" Res. 04-3431

**DRAFT**



**Transportation Priorities  
2006-09 Allocation Process  
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## Regional Transportation Funding and the Transportation Priorities Program

There are several different sources of transportation funding in the region, many of which are dedicated to specific purposes or modes.

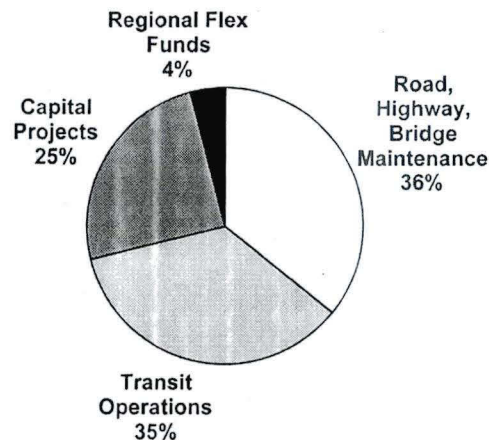
Recent data demonstrates that approximately \$425 million is spent in this region on operation and maintenance of the existing transportation system. While there are unmet needs within operations and maintenance, the relatively small potential impact that regional flexible funds would have on these needs and because there are other potential means to address these needs, JPACT and the Metro Council have adopted policy against using regional flexible funds for these purposes. Exceptions include the Transportation Demand Management (TDM) programs as they have demonstrated a high cost-effectiveness at reducing the need for capital projects, because they lack other sources of public funding to leverage private funding and because they directly benefit priority 2040 land-use areas. A second exception is expenditures on the expansion of transit service. This exception has been limited to situations where the transit provider can demonstrate the ability to fund the increased transit service in the subsequent MTIP funding cycle.

Capital spending in the region for new capital transportation projects outside of regional flexible funding is approximately \$180 million per year. This includes funding for state highways, new transit capital projects, port landside facilities and local spending.

Approximately \$26 million of regional flexible funds are spent each year in the Metro region. This funding is summarized in the following Figure 1.

Figure 1

### Annual Regional Transportation Spending \$630 million



Recent acts by the state legislature have provided one-time revenue sources for transportation improvements in the region. This includes \$22 in motor vehicle capacity projects in OTIA I & II, a portion of the expected \$31 million for capacity projects in OTIA III and a portion of OTIA III funds targeted for freight mobility, industrial access and job creation (\$100 million state wide). These funds directly supplement the construction of motor vehicle capacity projects in the region.

Additionally, \$34 in highway modernization and \$158 million in highway, bridge and road reconstruction funding programmed to this region for expenditure by 2010. These highway funds will be supplemented by highway projects of statewide significance (\$100 million statewide), and match to OTC-requested federal earmarks (\$200 million statewide) that will be programmed to this region by Oregon Transportation Commission.

This increase in state revenue dedicated to road maintenance, road expansion and bridge repair and reconstruction represents the first major increase in state resources in more than a decade. Prior to this increase, regional flexible funds were used to fund a number of highway capacity projects, such as the I-5/Highway 217 interchange, capacity improvements on Highway 26, the Tacoma Street over crossing of Highway 99E and the Nyberg Road interchange.

However, these allocations were made with the knowledge that no other resources were available for these improvements, and at the expense of smaller, multi-modal improvement that could have been funded with regional flexible funds, instead. A key policy issue in this MTIP update is to determine degree to which the current increase in state highway revenue argues for less emphasis on such projects with regional flexible funds. Currently, main-stem highway capacity improvements are limited under the existing MTIP policies, but there is no limit on allocation for road expansion, highway interchanges, or Preliminary Engineering for major capacity projects.

## **2004-07 Transportation Priorities Allocation Process and Policy Direction**

The 2004-07 Transportation Priorities process began with the adoption of the following program policy direction.

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - centers
  - industrial areas and
  - UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems
- Develop a multi-modal transportation system

An application process was adopted to implement this policy direction. It included retaining a technical rating of 2040 land use criteria and creating a monetary incentive to applying agencies to nominate projects that best leverage development of 2040 priority land-use areas. While further advancing the program objectives, this option retained flexibility to fund projects that do not directly benefit a regional priority land-use area but that are deemed to be important and effective transportation projects due to other considerations.

This process was referred to as the Region 2040 Match Advantage and is summarized as follows:

- A. Projects that highly benefit:
  - i. Centers, main streets, and station communities
  - ii. Industrial areas and inter-modal facilities

- iii. UGB concept plan areas are eligible for up to 89.73% match of regional funds.
- B. Planning, TOD, TDM and Green Street Demonstration projects are also eligible for up to an 89.73% match of regional funds.
- C. Projects determined to not provide a direct, significant benefit to a priority land-use area would be eligible for up to a 70% match of regional funds.
- D. No funding for operations or maintenance, except for TDM programs and start-up transit operations that demonstrate capacity for future operation funds to replace regional flexible funds by the next MTIP funding cycle.
- E. The technical measures of the 2040 land use criteria have been modified and the method for determining which projects qualify for a regional match of up to 89.73% were developed using lessons learned from current centers and industrial lands research and the Pleasant Valley concept plan and implementation study. Technical measures attempt to rate the direct benefit (or negative effect) of a project to the priority land-use area, not simply assess whether a project is located in or near the priority area.

Additionally, a smaller cost target to limit the number of applications submitted to Metro through the Coordinating Committee process was adopted. The cost target was reduced from 200% of a potential share of funds based on rough geographic equity of fund distribution to 150%. Initially, this was considered as a means that could allow elimination of a step in the allocation process that screens the project list down to a First Cut list. However, the two-step screening process was retained.

### Screening and Evaluation Criteria

Screening and evaluation criteria were reviewed and direction adopted for the 2004-07 Transportation Priorities program.

#### *Screening Criteria for all projects*

- Highway, road and boulevard projects must be consistent with regional street design guidelines
- Project designs must be consistent with the Functional Classification System of the 2000 RTP
- Project on RTP Financially Constrained list
- Project has received support of governing body at a public meeting as a local priority for regional flexible funding. Adoption of a resolution at a public meeting would qualify as receiving support of the governing body. Documentation of such support would need to be provided prior to release of a technical evaluation of any project.
- Statement that project is deliverable within funding time frame and brief summary of anticipated project development schedule

#### *Evaluation Criteria*

##### 1. 2040 Criteria

Review the work of the current centers research and industrial lands studies to clarify how transportation funding can most effectively leverage successful development of these priority

land-use areas. This includes developing methods to distinguish between the readiness of different mixed-use areas and industrial areas to develop and methods to evaluate and measure the positive and negative impacts of a project or program on leveraging development of a priority land use area other than simply the location of the facility. Applications were scored on how the project contributes to the most critical objectives a center plan or industrial area needs to achieve to become a successful area in terms of 2040 development objectives and to describe what actions the local jurisdiction is taking to address its most critical needs.

## 2. Multi-modal Road Projects

The provision of pedestrian and bicycle improvements within priority 2040 priority land-use areas as a part of a road modernization or reconstruction project qualified a project for additional technical points over a multi-modal road project outside of these priority areas. The creation of new pedestrian and bicycle improvements qualified a road project for additional technical points over a road project that simply moved or replaced pedestrian and/or bicycle facilities.

Similarly, the TIP Subcommittee was asked to review potential methods for awarding additional technical points to road projects that provide a significant freight or transit benefit, particularly benefits supporting priority land-use areas over road projects that do not provide this multi-modal benefit. However, no method of adjusting the technical score for these considerations was developed.

## 3. Qualitative Criteria

The use of qualitative criteria was limited as a means for technical staff to recommend elevating a project to receive funding over other higher technically ranked projects within their same project categories.

### Qualitative criteria

- Minimum logical project phase
- Linked to another high priority project
- Over-match
- Past regional commitment\*
- Includes significant multi-modal benefits
- Affordable housing connection
- Assists the recovery of endangered fish species
- Other factors not reflected by technical criteria

Any project could receive a recommendation from Metro staff or TPAC for funding based on these administrative criteria only if it is technically ranked no more than 10 technical points lower than the highest technically ranked project not to receive funding in the same project category (e.g. a project with a technical score of 75 could receive funding based on administrative criteria if the highest technically ranked project in the same project category that did not receive funding had a technical score of 85 or lower).

\* Previous funding of Preliminary Engineering (PE) does constitute a past regional commitment to a project and should be listed as a consideration for funding. Projects are typically allocated funding for PE because they are promising projects for future funding. However, Metro does not guarantee a future financial commitment for construction of these projects.

## 4. Green Streets Design Elements



A new category of funding was established in the 2004-07 process: Green Streets Demonstration projects. Further, elements of green street designs that had an established record of performance were added as a means of obtaining bonus points within the technical scoring of the road and boulevard categories.

#### 5. Measurement of Safety Criteria

In the interest of broadening the technical scoring of projects from accident data only, an "expert analysis" approach using general guidelines of safety considerations, including but not limited to Safety Priority Indexing System (SPIS) data, was developed for all relevant project categories as a means of providing a comprehensive method for considering safety issues. This approach will utilize a panel of project professionals to review each project relative to a list of quantitative and qualitative safety considerations and score each project accordingly.

#### Solicitation, Allocation and Follow-up Process Issues

There were several changes to the 2004-07 Transportation Priorities process used to solicit and allocate regional flexible funds.

1. Additional Time for Application Process; A third month was added to the project solicitation phase of the process. This allowed more time to for coordination among jurisdictional staff and for completing the applications.
2. Public Kick-off Notice; To address concerns about the ability for community interest groups and jurisdictional staff from outside of transportation agencies to influence project applications, Metro provided public announcements of the kick-off of the application process and provided interested parties with a list of local agency contacts.
3. Regional Objectives; In order to provide better information about regional objectives, successful project examples and assistance on completing project applications, Metro staff provided presentations to jurisdictional staff early in the solicitation period at coordinating committee meetings.
4. STIP Coordination; Metro and ODOT attempted to identify areas for coordination related to STIP projects that could be supplemented with Transportation Priorities funding applications and Transportation Priorities staff attended public comment meetings of the STIP with information about the Transportation Priorities process.
5. MTIP Subcommittee; The MTIP Subcommittee of TPAC was used to review the draft technical scoring by project staff.
6. Public Outreach; Metro will utilize a public involvement program consistent with Metro's policies on public involvement. This included early notification of process kick-off and key decision points and opportunities for comment and a response to those comments. Key components included the ability of the public to review and comment on the projects and their technical rankings and draft First Cut list on Metro's website and a formal public hearing on the recommended allocation package prior to the final decision meetings of JPACT and the Metro Council.

7. **Public Information; Increasing public understanding of the MTIP and Transportation Priorities program** was increased through the inclusion of Metro information, including signage, on funded project or program materials, participation in public events and new informational materials, and Metro's website highlighting funded projects.
8. **Allocation Follow-up Activities; Metro committed to improve project monitoring to ensure project development that is consistent with application materials post-construction data collection (particularly with demonstration projects) and awards or other recognition for quality project implementation.**

### **Policy Direction to Narrow from First Cut List to Final Cut List**

After adoption of the First Cut List, a policy discussion of JPACT and the Metro Council resulted in the following direction to technical staff for development of a recommendation to a Final Cut List.

1. **Honor Prior Commitments**
2. **Metro Planning Funded**
3. **Land Use and Economic Development Direction:**
  - Invest in all types of 2040 mixed-use and industrial lands
  - Emphasize non-road/bridge projects to maximize development and multi-modal objectives in mixed-use areas
  - Screen all projects and programs on their relationship to the implementation of mixed-use and/or industrial area plans and development (2040 technical score, qualitative issues/public comments)

### **Transportation Priorities 2006-09 Update**

Metro staff recommends the 2006-09 Transportation Priorities process retain the updates that evolved from the extensive outreach process of the 2004-07 effort. Additional policy, technical and process issues were identified during implementation of and subsequent to the 2004-07 process, however, that should be addressed prior to kick off of the 2006-09 process.

### **Policy Refinement Issues**

- Integration of 2004-07 narrowing directives and General Program Policies (Investing in Tier I and Tier II mixed-use and industrial areas and emphasis on non road/bridge projects)
- Program policy direction changes in response to Oregon Transportation Investment Acts (OTIA I-III).
- Direction on funding of Bicycle and Pedestrian transportation control measures for air quality
- Policy direction on Intelligent Transportation Systems (ITS)
- Incorporate directives on Regionally Significant Industrial lands
- ODOT applications to supplement urban highway preservation projects
- Green Streets
  - Green Trails; directives to Multi-Use path category
  - Encourage use of recycled materials in transportation projects
  - Wildlife Crossings

## Technical Refinement Issues

- Technical Implementation of Policy refinement directives
- 2040 Qualitative technical score – Community Focus Attachment C refinement
- Safety technical score methodology
- Use of system level data and project level data to evaluate congestion relief

## Process Refinement Issues

- Determine whether all project applications must be a part of the 2004 RTP financially constrained system.
- Jurisdiction and Agency program/application review at TPAC and JPACT  
TOD, RTO, ITS, Clackamas Co., Multnomah Co., City and Port of Portland, Washington Co., TriMet/SMART, Metro Planning, ODOT (STIP).
- Joint Public Outreach with ODOT STIP and including Transit Federal funding summary
- Directives to Narrow from First Cut List to Final Cut List to be developed by JPACT and Metro Council in December 2004.
- Engineering review of application scope, schedule and budget.

## Transportation Priorities 2006-09 Policy Refinement Recommendations

### 1. Integration of General Program Policies with 2004-07 Final Cut list policy direction

During the 2004-07 Transportation Priorities process, JPACT directed technical staff on how to provide recommendations to narrow from the First Cut list to a Final Cut list. This direction included policies that could be considered as an update to general program policies for the 2006-09 process.

To integrate the policy directive received during the narrowing process to fund projects in all types (Type I and II) of mixed-use and industrial areas and to emphasize non-road/bridge categories, TPAC recommends the following changes to the general program policy directive.

The primary policy objective for the MTIP program and the allocation of region flexible transportation funds is to:

- Leverage economic development in priority 2040 land-use areas through investment to support
  - centers, 2040 Tier I and II mixed-use areas (central city, regional centers, town centers, main streets and station communities)
  - 2040 Tier I and II industrial areas (regionally significant industrial areas and industrial areas), and
  - 2040 Tier I and II mixed-use and industrial areas within UGB expansion areas with completed concept plans

Other policy objectives include:

- Emphasize modes that do not have other sources of dedicated revenues
- Complete gaps in modal systems

- Develop a multi-modal transportation system with a strong emphasis on funding non-road and bridge modernization projects.
- Meet the average annual requirements of the State Implementation Plan for air quality for the provision of pedestrian and bicycle facilities

Secondly, the local match requirement for bicycle projects located more than 1 mile outside of Tier I and town center 2040 land use areas is recommended to be decreased to the federally required 10.27%.

Finally, JPACT and the Metro Council should consider limiting road and bridge projects are proposed to no more than 60% of the total cost of candidate projects submitted for application by each of the County coordinating committees and the City and Port of Portland. This is equivalent to the percentage of regional flexible funds derived from the Surface Transportation Program.

## **2. Direction on funding of Bicycle and Pedestrian transportation control measures for air quality**

The Transportation Priorities funding in 2006-07 did not meet the yearly average for providing miles of pedestrian and bicycle improvements but had to rely on a defined ODOT maintenance project and over building from previous years to meet this requirement as reported in the MTIP.

The general program policy statement is recommended to be updated as indicated above to state that the Transportation Priorities process will fund a minimum of the average requirement for implementation of the pedestrian (1.5 miles) and bicycle (5 miles) improvements required by the State Implementation Plan for air quality.

## **3. Functional Plan compliance as Screening Criteria for Transportation Priorities funding**

Requiring compliance with the Metro functional plan would provide an incentive for local jurisdictions to complete the planning work necessary to comply with the regional functional plan and ensure that regional transportation funding is more closely linked to local implementation of regional growth management policies.

TPAC recommends that the following language be added to the MTIP policy report and Transportation Priorities application.

### Screening and Evaluation Criteria

Screening and evaluation criteria were reviewed and direction adopted for the 2004-07 Transportation Priorities program.

#### *Screening Criteria for all projects*

- Highway, road and boulevard projects must be consistent with regional street design guidelines
- Project designs must be consistent with the Functional Classification System of the 2000 RTP
- Project on RTP Financially Constrained list
- Project has received support of governing body at a public meeting as a local priority for regional flexible funding. Adoption of a resolution at a public meeting would qualify as receiving support of the governing body. Documentation of such support would need to be provided prior to release of a technical evaluation of any project.

- Statement that project is deliverable within funding time frame and brief summary of anticipated project development schedule.
- The applicant jurisdiction is in compliance with the Metro functional plan or has received an extension to complete compliance planning activities. If the applicant jurisdiction is not in compliance or has not received an extension, it must provide documentation of good faith effort in making progress toward accomplishment of its compliance work program. The work program documentation must be considered by governing body of the applicant jurisdiction at a meeting open to the public and submitted to Metro prior to the release of the draft technical evaluation of project applications by Metro staff.

## 8. Green Streets

### - Green Trails

The Metro Parks and Greenspaces Department has recently published a best practices guidebook on the construction of trails and multi-use paths in an environmentally sensitive manner. TPAC recommends that funding awards to multi-use path projects be conditioned to consider the design guidelines of the Green Trail handbook during project development.

### - Use of Recycled Materials in Transportation Projects

To respond to the Federal Highway Administration (FHWA) directive on the use of recycled materials in federal highway projects and to create stronger markets for recycled materials, Metro staff recommends that materials related to the Transportation Priorities allocation process include a summary of the FHWA directive. Additionally, Metro staff shall work with TPAC to attempt to develop a method for the award of technical bonus points for the commitment of a project applicant to use certain types or levels of recycled materials in road or multi-use path projects.

## Transportation Priorities 2006-09 Technical Refinement Issues

Metro staff is directed to work with TPAC to address the following technical evaluation issues.

### 1. Street Connectivity as Technical Measure for Road Capacity projects

Direct the MTIP Subcommittee and TPAC to evaluate whether a bonus point system for road modernization projects can be developed that adequately defines a methodology to reward a project that increases street connectivity. Any proposal for such a point system should be reviewed by TPAC prior to implementation.

Clarify in the application that collector projects defined as a part of the regional transportation system are eligible projects for Transportation Priorities funding and that are encouraged for application if they contribute to increased street connectivity.

### 2. Develop technical criteria for a new Intelligent Transportation System modal category

TPAC recommends requesting the ITS subcommittee to develop recommendations for 2008-2011 Transportation Priorities process. The recommendation should address the positive and negative aspects of ranking ITS projects with road modernization projects and as a separate ranking

category. The subcommittee could also recommend changes to the road modernization technical ranking criteria if ITS projects remain within that ranking category.

Furthermore, request the ITS subcommittee review and comment on the technical rankings of the 2006-09 Transportation Priority ITS candidate applications.

### **3. Use of recycled materials**

TPAC recommends the incorporation educational statement in Transportation Priorities and MTIP supporting FHWA directive that when selecting materials for transportation projects, recycled materials should be considered first.

Assign the MTIP Subcommittee and TPAC to work with professional experts in this field to study this issue and develop recommendations on how to further address it in the 2008-11 Transportation Priorities process.

### **4. Refinement of 2040 Qualitative Technical Score – Attachment C**

Additional knowledge has been developed about the development of mixed-use areas and their relationship to transportation infrastructure since the development of the 2004-07 Transportation Priorities process. The “Community Focus” qualitative analysis should be updated to reflect refinements in evaluating differences between the readiness of planned mixed-use areas to develop and the relationship between a potential transportation investment and the potential success in the development of a mixed-use area. The attachment should also be clarified on how individual elements of the qualitative summary contribute to the overall technical score.

### **5. Safety Technical Score Methodology**

Applicants will be asked to provide information regarding specific safety factors that will be evaluated by a panel of transportation professionals. The method by which the panel will use this information in developing their project scores will be described in the application.

### **6. Use of system level data and project level data to evaluate congestion relief**

Resolve the issue of when or how to use project level data to supplement system level data when analyzing expected congestion relief provided by a candidate road project application.

### **7. Technical evaluation of road projects that provide a significant freight or transit benefit**

Technical staff was directed in the existing policy report to attempt to develop a technical evaluation to reward road projects that provide a significant freight or transit benefit. However, no methodology was agreed upon prior to the previous allocation process. TPAC will evaluate the benefits and drawbacks of this approach and attempt to reach a recommendation on its implementation.

### **8. Regionally Significant Industrial Lands**

The Regional Transportation Plan has been amended to recognize regionally significant industrial lands as a Tier I 2040 land-use priority over other industrial lands subsequent to the policy update of the 2004-07 Transportation Priorities process. TPAC recommends the technical scoring for

freight and road projects be updated to award more points to projects that serve regionally significant industrial lands as a Tier I priority and other industrial lands as a Tier II priority.

## **9. Green Trails**

TPAC recommends the development of a technical bonus point system for projects that commit to meeting particular design elements of the Green Trail handbook. This bonus point system shall be reviewed by TPAC prior to implementation.

### **Transportation Priorities 2006-09 Process Refinement Issues**

Metro staff is directed to implement the following changes to the application process.

#### **1. Jurisdiction and Agency program/application review at TPAC and JPACT**

Arrange for the following programs and coordinating committees to provide presentations at TPAC and JPACT as a summary of their program and/or their package of project/program candidate applications. TOD Program, RTO Program, ITS status update, Clackamas County, Multnomah County, City and Port of Portland, Washington County, TriMet/SMART, Metro Planning, ODOT (STIP Presentation).

#### **2. Joint public outreach process with ODOT STIP process and Transit funding summary**

A joint public outreach process with the ODOT State Transportation Improvement Program will be implemented. This outreach will include participation by the regions transit agencies to provide information on their planned development and expenditures of the 2006-09 period.

#### **3. ODOT applications to supplement STIP projects**

In an effort to improve the delivery of transportation services in the region and coordination between ODOT and regional/local policy objectives, ODOT and Metro staff have discussed the possibility of early notification of ODOT preservation projects to allow for application for regional flexible funds, supplemental ODOT funds, and local funds to address missing or substandard facilities for pedestrians and/or bicycles as a part of the preservation project.

ODOT staff work with local agency partners to consider joint local, regional or supplemental state funding for missing elements of pedestrian and bicycle facilities along state facilities proposed for pavement preservation work in the 2006-09 STIP. This may result in ODOT application for Transportation Priority funds to provide for these improvements. Requests for local or regional funds should be made in context of coordination with the STIP to fully disclose need for additional funds for state projects and to understand the potential impacts to preservation project schedules and other state transportation programs within the region.

#### **4. Directives to technical staff on development of recommendations to narrow from a First Cut list to a Final Cut list**

Directives to technical staff on the development of recommendations to narrow from a First Cut List to a Final Cut List are to be developed by JPACT and Metro Council after the adoption of the First Cut list. This was a process element that was instigated during the previous Transportation Priorities allocation process. It is now a scheduled process element expected in the December 2004 time frame.



## **5. Engineering Review of Application Scope, Schedule and Budget**

Metro staff will work with ODOT staff to investigate whether consultant services can be provided to review candidate project applications for accuracy of scope, schedule and budget to ensure projects can be delivered as described in the application and ranked fairly against similar projects.

CW #4

## **Councilor Values for the Solid Waste System**

The following are the values for the solid waste system expressed by Metro Councilors at the public Work Session on July 2, 2003. They are ordered according to the priorities assigned by the Council.\*

- 1. Protect the public investment in the solid waste system.**
  
- 2. "Pay to Play"**  
**Ensure that participants and users of the system pay appropriate fees and taxes.**
  
- 3. Environmental sustainability. Ensure the system performs in a sustainable manner.**
  
- 4. Preserve public access to the disposal options (location and hours).**
  
- 5. Ensure regional equity—equitable distribution of disposal options.**
  
- 6. Maintain funding source for Metro general government.**
  
- 7. Ensure reasonable/affordable rates.**

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\*In addition to each value, the Metro Council has indicated that all system-relate scenarios or decisions will "maintain safety and public health throughout the solid waste system" as a minimal threshold for operation.