

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. 04-3431A

Introduced by
Councilor Rod Park

WHEREAS, the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) 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

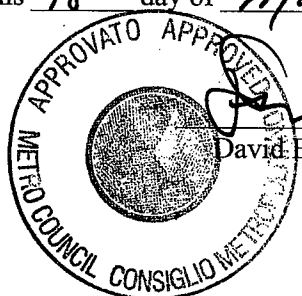
WHEREAS, JPACT proposes the Transportation Priorities 2006-09 and MTIP policy direction, program development and evaluation criteria will be updated as defined in Exhibit A; and

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 18th day of March, 2004.



[Signature]
David Bragdon, Council President

APPROVED AS TO FORM:

[Signature]
Daniel B. Cooper, Metro Attorney



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

Policy Report

March 18, 2004

*JPACT Adoption for
Consideration by Metro Council*



METRO

PEOPLE PLACES
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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.

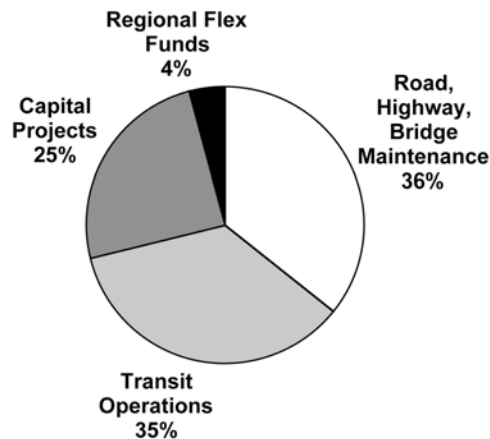
Recent data demonstrates that approximately \$425 million is spent in this region on operation and maintenance of the existing transportation system. While there are unmet needs within operations and maintenance, the relatively small potential impact that regional flexible funds would have on these needs 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 road 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 road capacity projects in the region.

Additionally, \$34 in highway capacity 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 highway and road capacity and preservation 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

The 2006-09 Transportation Priorities process retains the policy updates that evolved from the extensive outreach process of the 2004-07 effort as described above. Additional policy, technical and process issues were identified during implementation of and subsequent to the 2004-07 process, however, that are addressed in this report.

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 and Metro Council 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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs, the general program policy directive should be amended.

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 minimum of 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 average biennial requirement of providing 1.5 miles of pedestrian and 5 miles of 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. 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 program policy statement is to be updated to reflect this change.

Changes to the program policy statement, which describes the intent of JPACT and the Metro Council on the purpose and objectives of the Transportation Priorities funding allocation process, is updated to reflect directives described in items 1 through 3 above 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
 - 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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs.
- Meet the average annual 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

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.

The following language is to 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 approved by the 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.

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

The ITS subcommittee is requested to develop recommendations for 2008-2011 Transportation Priorities process. The recommendation should address the positive and negative aspects of ranking ITS projects with road capacity projects and as a separate ranking category. The subcommittee could also recommend changes to the road capacity technical ranking criteria if ITS projects remain within that ranking category.

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

3. Use of recycled materials

The educational statement in Transportation Priorities and MTIP supporting FHWA directive that when selecting materials for transportation projects, recycled materials should be considered first shall be incorporated into the Transportation Priorities application materials.

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

Metro staff and TPAC are to work to 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 is 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 is to 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. The technical scoring for freight and road projects are to be updated to award more points to projects that serve regionally significant industrial land as a Tier I priority and other industrial lands as a Tier II priority.

9. Green Trails

Metro staff is to work with TPAC to recommend 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

Plan for a joint public outreach process with the ODOT State Transportation Improvement Program is to be made. This outreach should 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 should 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 are to 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. 04-3431A 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 changes adopted by JPACT for consideration by the Metro Council 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 were adopted by JPACT for consideration by the Metro Council.

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

During the 2004-07 Transportation Priorities process, JPACT and the Metro Council 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 effect of this direction would be the addition of the language in underline to the program policy statement:

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs.

Following are options considered by JPACT of how this policy direction could be implemented within the Transportation Priorities policies and process. JPACT unanimously adopted 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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs.**

The effect of this direction would be the addition of the language in underline to the program policy statement:

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs
- 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 minimum of 10.27%.**

JPACT had extensive debate about and was split on whether to adopt option e below as a means of implementing an emphasis on funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transit options, transit and transit oriented projects and programs. The committee recognized that this option would be a means of ensuring that each coordinating committee apply for bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs 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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs. 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.

After this debate, JPACT did adopt the following option.

- e. Limit the total cost of road capacity, 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.**

A clarification was provided during JPACT discussion that this language is not to be interpreted as a statement of intent by JPACT to allocate all STP funding to road capacity, road reconstruction and bridge projects.

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

JPACT directed 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 highway and road capacity and preservation 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 capacity 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).

JPACT adopted direction to update the general program policy statement 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 direction would be the addition of the language in underline to the program policy statement:

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs
- 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 3rd 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.

JPACT adopted 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 approved by the 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.

JPACT members commented that the execution of this screening criteria during the application process should be attentive to the circumstances of the region's smaller jurisdictions that typically have limited resources to respond to planning requirements.

5. Relationship of street connectivity to the technical evaluation of Road Capacity technical 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 the Regional Transportation 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 the street connectivity requirements of the Regional Transportation 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 JPACT of how this policy direction could be implemented within the Transportation Priorities policies and process. Adopted actions are highlighted in **bold**.

Options:

- a. No change to the existing road capacity evaluation criteria.
- b. Add street connectivity as an evaluation criteria to the road capacity category.
- c. **Direct the MTIP Subcommittee and TPAC to evaluate whether a bonus point system for road capacity 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 JPACT of how this policy direction could be implemented within the Transportation Priorities policies and process. Adopted 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 capacity projects and as a separate ranking category. The subcommittee could also recommend changes to the road capacity 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 capacity projects would penalize ITS projects if left in the road capacity ranking category, unless other adjustments are made.)
- c. If other policy limits (such as the limit on the total cost of road capacity 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.

JPACT adopted direction that 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 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.

JPACT adopted direction 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 JPACT of how this policy direction could be implemented within the Transportation Priorities policies and process. Adopted 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 JPACT of how this policy direction could be implemented within the Transportation Priorities policies and process. Adopted 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.

JPACT did not adopt 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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs 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. 04-3431A.

TL: RC

BEFORE THE METRO COUNCIL

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

WHEREAS, the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) 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.

David Bragdon, Council President

APPROVED AS TO FORM:

Daniel B. Cooper, Metro Attorney



**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

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.

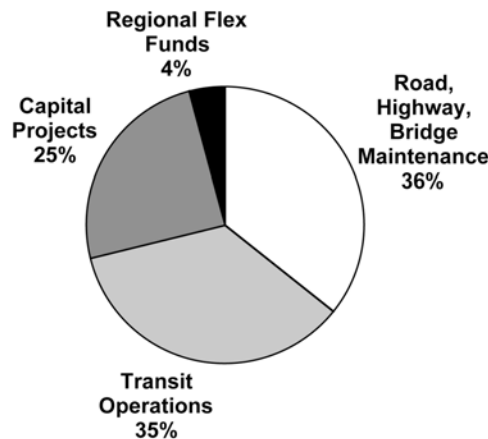
Recent data demonstrates that approximately \$425 million is spent in this region on operation and maintenance of the existing transportation system. While there are unmet needs within operations and maintenance, the relatively small potential impact that regional flexible funds would have on these needs 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 road 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 road capacity projects in the region.

Additionally, \$34 in highway capacity 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 highway and road capacity and preservation 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.

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs.
- 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 minimum of 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 average biennial requirement of providing 1.5 miles of pedestrian and 5 miles of 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 approved by the 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.

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 capacity projects and as a separate ranking category.

The subcommittee could also recommend changes to the road capacity 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.

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs.

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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs.**

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs

- 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 minimum of 10.27%.**

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 bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs 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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs. 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 capacity, 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 highway and road capacity and preservation 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 capacity 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 3rd 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 approved by the 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 capacity category.
- c. **Direct the MTIP Subcommittee and TPAC to evaluate whether a bonus point system for road capacity 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 capacity projects and as a separate ranking category. The subcommittee could also recommend changes to the road capacity 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 capacity projects would penalize ITS projects if left in the road capacity ranking category, unless other adjustments are made.)
- c. If other policy limits (such as the limit on the total cost of road capacity 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 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 funding bicycle, boulevard, freight, green street demonstration, pedestrian, regional transportation options, transit oriented development and transit projects and programs 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