

August 7, 2003

To: Metropolitan Policy Committee

From: Paul Thompson

Subject: Item 4a: Proposed Project Evaluation Criteria and Process for STP-U Funds

Background

At the July 10, 2003 MPC meeting staff presented a draft proposal for an evaluation process and criteria to prioritize competing demands for STP-U funding within the MPO. At that time, MPC discussed the proposal and opened a one-month public comment period on the proposal.

In the ensuing month, staff has conducted a public workshop on the proposed evaluation process and criteria, engaged members of the public in discussions on the proposal, conducted a “dry run” by evaluating eight projects using the proposed system, and developed two significant refinements to the original proposal. The remainder of this memo briefly reviews the original proposal, summarizes the public input received to date and presents staffs’ refined proposal for MPC’s consideration.

Review of Original Proposal

The following is a summary of the original proposal presented at the July 10, 2003 MPC meeting. Please refer to that meeting’s packet for full details on the proposal.

Project proposals for STP-U funding will be submitted by the local member agencies of the MPO (Lane County, Lane Transit District, City of Coburg, City of Springfield, City of Eugene). The applicant submitting each proposal will be responsible for providing an initial evaluation based on the process described below. The Transportation Planning Committee (TPC) will then review and rank the proposals and incorporate the highest-ranking projects, subject to available funding, in the draft TIP prior to submittal to MPC for their consideration and for public review and comment.

Following the public review period for the draft TIP (including a second public workshop), TPC will recommend appropriate changes to the draft TIP based on

public input and initial feedback from MPC and forward its recommendations to MPC for the public hearing and subsequent adoption of the final TIP Update.

In July, staff recommended an overall framework of four major project categories, and preliminary funding targets for each broad category, as follows:

<ul style="list-style-type: none"> • System Preservation 	<ul style="list-style-type: none"> Roadway Transit Bike/Pedestrian 	50 percent, or ~\$3.375 million
<ul style="list-style-type: none"> • System Modernization 	<ul style="list-style-type: none"> Roadway Transit Bike/Pedestrian 	20 percent, or ~\$1.35 million
<ul style="list-style-type: none"> • Planning & Project Development 		20 percent, or ~\$1.35 million
<ul style="list-style-type: none"> • TDM 		10 percent, or ~\$675,000
Total		<hr style="border: none; border-top: 1px solid black; margin-bottom: 5px;"/> 100 percent of STP-U funds, or ~\$6.75 million over the full 3-year TIP horizon

By establishing this framework of major project categories and assigning preliminary spending targets to each category, project proposals can be compared with other proposals within each category.

A proposal must meet all three of the following criteria to be considered for STP-U funding in the time frame of the TIP update:

1. Included in, or consistent with, the 20-year financially constrained Regional Transportation Plan (TransPlan).
2. Eligible for STP-U funding based on federal guidelines.
3. Capable of being implemented within the TIP time frame.

Projects and program proposals will be evaluated for relative priority based on consideration of the following three factors:

1. The ability of the proposal to leverage other public or private funding.
2. The extent to which the proposal addresses one or more of the adopted TransPlan policies.
3. The extent to which the proposal addresses one or more of the adopted TransPlan Transportation Planning Rule (TPR) Alternative Performance Measures (APM).

At the July MPC meeting, staff suggested the use of a simple point system to evaluate projects on each of the three prioritizing factors:

1. Priority Factor 1, Leverage:

- 10 percent match is provided – no extra points, since this much local match is required for any STP-U project
- 20 percent match – 5 points
- 30 percent match – 10 points
- 40 percent match – 15 points
- 50 percent match – 20 points (recommended upper limit for this measure)

2. Priority Factor 2, TransPlan Policies:

- 7 points for each policy that would be directly impacted by the project in a positive manner
- No more than two policies (14 points) would be counted within the same topic heading (i.e. Land Use, TDM, TSI, Roadway, Transit, Bicycle, Pedestrian, Goods Movement, Other Modes, Finance)
- Maximum of 50 points for this factor

3. Priority Factor 3, TransPlan Alternative TPR Performance Measures:

- 6 points for each alternative measure the project helps to advance
- Maximum of 30 points for this factor

The maximum possible total score summed across all three priority factors for any project would be 100 points.

Using this point system, each proposal would be scored and then its total point value would be compared to other project proposals within the same project category. The point values would be a major tool for evaluating and ranking projects within each category, but final adjustments would be expected to occur based on factors such as mode balance and a sense of equity among the partner jurisdictions over the time frame of the entire TIP.

Public Input Received to Date

As a result of the public comment period (still in progress), the public workshop and other outreach efforts, staff has received a total of two written comments, plus oral comments both at the workshop and via telephone.

One written comment, submitted by Larry M. Chase of Springfield, simply stated in its entirety that “90% of money should go to street preservation projects.”

The second written comment, submitted by Rob Zako of 1000 Friends of Oregon, is included with this memo as Attachment 1. Mr. Zako's own Executive Summary states, in its entirety:

The immediate issue is to develop a process or set of criteria for deciding how to allocate STP-U funds.

Soon after this TIP update is completed, staff, the public and officials should review and improve the TIP update process, especially the STP-U funding priorities and project evaluation criteria.

We urge MPC to achieve better balance in transportation investments by targeting STP-U funds to projects for which funding is otherwise limited or unavailable. We urge MPC to focus STP-U funds on projects that best advance the alternative performance measures. We urge MPC to focus STP-U funds on projects that are cost-effective and are good public investments.

Until such time as other funding sources for system preservation are developed, we recommend targeting 20% of STP-U funds for system preservation. As funding is otherwise limited or unavailable, we recommend targeting 40% of STP-U funds for modernization, planning and public education/involvement that supports nodal development and to developing an integrated land use and transportation plan. In order to better balance funding for the three fundamental components of transportation planning, to better achieve the alternative performance measures, and to invest public funding efficiently, we urge MPC to target 20% of STP-U funds for Transportation Demand Management We support the staff recommendation to target 20% of STP-U funds for transportation planning and project development.

We support the eligibility criteria staff recommends, as these merely reflect common sense. Given the limited time available for this TIP update, we cautiously support the prioritization factors staff recommends for this cycle. We urge MPC to begin reviewing and revising these prioritization factors soon after this TIP update is completed.

The most significant modification (to the original staff proposal) contained in Mr. Zako's comments is the new proposal for project evaluation categories and funding targets. The following table summarizes side-by-side the original staff proposal and Mr. Zako's proposal.

FUNDING CATEGORY	JULY 10TH PROPOSAL	1000 FRIENDS PROPOSAL
<i>System Preservation</i>	50 percent, ~\$3.375 M	20 percent, ~\$1.35 M
<i>System Modernization</i>	20 percent, ~\$1.35 M	0 percent
<i>Planning & Project Develop.</i>	20 percent, ~\$1.35 M	20 percent, ~\$1.35 M
TDM	10 percent, ~\$675,000	20 percent, ~\$1.35 M
<i>Modernization and Other Support for Land Use Measures</i>	0 percent	40 percent, ~\$2.7 M
Total 100 percent of STP-U funds equals ~\$6.75 million over the full 3-year TIP horizon		

It should be noted that only three citizens attended the public workshop – Rob Zako & Rob Handy of Eugene attended approximately the first 1.5 hours of the 2-hour workshop, and Larry Chase of Springfield attended the second hour. Virtually all of the 2-hour workshop was spent with staff and citizens sitting around the table talking through the issues and sharing viewpoints. Oral comments conveyed to staff at the public workshop are summarized in the following bullets.

- Consider conducting a community survey of transportation funding priorities. What are the citizens’ priorities for the use of the STP-U funds?
- Appreciate the public workshop, other outreach efforts and the availability of material, but still need to work harder to get the word out and generate awareness and interest in the process.
 - Utilize “Interested Parties List”
 - Contact Neighborhood Organizations
 - Issue Repeated Notices via Multiple Means
- Continue to solicit public input for every TIP Update and other transportation planning efforts

As a whole, public input received to date can be generally grouped into two areas – continue to work to expand and improve the public outreach effort, and modify the funding targets for the project categories. Both sets of comments are entirely valid. The MPO’s public outreach efforts are currently undergoing review and enhancement as a result of the work of the MPC Public Involvement Subcommittee. Staff is committed to this process and has worked to make the current TIP Update public outreach effort one of the most extensive for a TIP Update in the MPO’s history (within the time constraints imposed by the short timeframe for this Update).

Mr. Zako’s proposal calls for significant changes to the staff proposal in the area of funding targets for system preservation and system modernization. While meriting consideration and discussion, it is staffs’ opinion that at this time the direction given by MPO officials is to target a significant portion of the STP-U

funding in this TIP Update cycle to preservation efforts, as reflected in the original staff proposal.

Recommended Evaluation Process and Criteria

Since the July MPC meeting, staff has conducted its own evaluation of the original proposal by scoring and evaluating eight sample projects based on the proposed evaluation criteria and scoring system. The summary of that effort is presented in the tables included as Attachment 2. While the overall process and evaluation criteria performed well during this “dry run,” two issues were uncovered. First, the use of the TransPlan policies as a criteria results in numerous projects supporting a number of TransPlan policies greater than the number needed to reach the proposed maximum of 50 points on this criteria. As a result, it is not possible to differentiate between, or prioritize, those projects that all achieve the maximum score on this criteria. The second issue is similar, but in reverse – it became apparent during the dry run that very few, if any, projects would ever score the possible maximum of 30 points on the TransPlan Alternative Performance Measures (APMs) criteria. It appears that most, if not all, projects would be found to support at most only 3 or 4 of the 6 APMs in TransPlan.

As a result of staffs’ testing of the evaluation process and criteria, staff is now recommending modifying the evaluation criteria scoring system as shown below (side-by-side with the original proposal):

<u>PRIORITIZATION FACTOR</u>	<u>JULY 10TH PROPOSAL</u>	<u>PROPOSED MODIFICATION</u>
<i>Leverage</i>	20 points max. on scale	20 points max. on scale (no change)
<i>TransPlan Policies</i>	7 points each, 50 points max.	5 points each, 60 points maximum
<i>Alt. Performance Measures</i>	6 points each, 30 points max.	5 points each, 20 points maximum

Staff is also recommending one other modification to the proposal discussed in July – an adaptation of the criteria scoring system for City of Coburg project applications. Since the City of Coburg was not part of the process that developed and adopted TransPlan, it is in a different position than the other MPO member jurisdictions that were part of that process. For example, while one or more TransPlan policies and one of the APMs directly refer to designated “Priority Bikeway Miles,” there are no priority bikeway miles within Coburg’s jurisdiction. There are other examples where the adopted RTP policies or APMs simply do not apply to Coburg, or can not be measured within Coburg’s current transportation system framework.

For this reason, staff is recommending that instead of evaluating Coburg projects against TransPlan policies, those projects should be evaluated against the policies contained in Coburg’s adopted Transportation System Plan (TSP).

Similar to how TransPlan policies also serve a dual role as the TSP policies for Eugene and Springfield, Coburg's TSP policies directly reflect the local priorities and goals of that jurisdiction. The scoring system for this criteria could be applied exactly the same against both TransPlan policies and the Coburg TSP policies – there are a total of 38 adopted policies in TransPlan and 36 adopted policies in the Coburg TSP.

Staff is also recommending a substitute for directly evaluating the Coburg projects against TransPlan's alternative performance measures. Of the six APMs in TransPlan which projects may earn points for supporting, three could be applied to Coburg projects (with one minor modification). These three are Percent Non-Auto Trips, Percent Transit Mode Share on Congested Corridors and Priority Bikeway Miles (assuming for the sake of evaluation that any bikeway projects in Coburg at this time would qualify under this criteria). The remaining three TransPlan APMs all relate to nodal development, which is not an adopted strategy in Coburg. To substitute for these three APMs in the case of Coburg projects, staff is recommending that Coburg projects that can be shown to be supportive of mixed-use, pedestrian and alternative modes friendly development should receive points under this evaluation criteria. This alternative approach to evaluating Coburg projects against the APMs would allow Coburg projects to potentially score five points for supporting each of four "APM Measures" for a potential maximum on this criteria of 20 points, the same maximum as all other jurisdictions' projects could score.

Staff will further describe and illustrate the sample evaluation and scoring of projects, and the recommended modifications to the evaluation criteria scoring system, at the August 14 MPC meeting.

Action Requested: Review modified proposed criteria and evaluation process for allocation of MPO STP-U funds. Hold public hearing. Close public review period for STP-U criteria and process. Approve STP-U criteria and process.

Attachments:

Attachment 1: Letter from Rob Zako, 1000 Friends of Oregon: *STP-U Funding Priorities and Project Evaluation Criteria*

Attachment 2: Sample Project Scoring Results