

DATE: September 22, 2003

To: Oregon Transportation Commission

From: STIP Process Stakeholder Committee

Subject: Review of the Draft Criteria for the 2006-2009 STIP

I. Requested Action:

The STIP Process Stakeholder Committee requests Oregon Transportation Commission review of the attached *Draft Eligibility Criteria and Prioritization Factors for the 2006-2009 Development STIP and Construction STIP* (Attachment A), and consideration of additional issues raised by the committee in preparation for STIP criteria adoption in November.

II. Background:

Over the past six months, the STIP Stakeholder Committee has worked to reach consensus around the draft criteria for the 2006-2009 STIP. We are pleased that at our September 11 meeting we were able to reach agreement on final revisions to the attached version of the document. We believe that the application of this product will help facilitate strategic economic development in the state.

We spent time at four meetings discussing various versions of the document and were able to incorporate a public review of a draft. Specifically, in July, ODOT staff distributed a draft version of the criteria for review to external stakeholders, including committee members, the Area Commissions on Transportation (ACTs), metropolitan planning organizations and the Department Website. These comments were reviewed by ODOT and Stakeholder Committee members and the final version of the document incorporates many of the comments received (see Attachment B for the specific comments received). Also included, for the first time, is a draft of a decision tree¹ we felt would assist the public in understanding the cycle of decisions.

The remainder of this memo describes a recommendation we believe the OTC should consider as well as introduces additional issues we identified during the course of our deliberations. We believe these issues are important to the future of the STIP and that OTC dialogue around them would be useful. Committee members also recognized that House Bill 2041 could have overarching implications to these criteria which the Commission might need to address through amendments.

¹ Staff is continuing to work on the decision tree and will have it available for the Commission discussion.

III. Evaluation Recommendation:

To fully understand the success of criteria, once approved by the Commission, the committee recommends that an objective evaluation of the criteria implementation by the ACTs, ODOT staff and the Commission be conducted. The evaluation could address concerns as to whether or not the criteria achieved its intended objective.

IV. Additional Issues Raised by Committee:

As noted above, the STIP Stakeholder Committee identified a number of issues we believe are worthy of OTC consideration. These issues center on funding, application of STIP criteria, future work efforts to consider, and HB 2041, all of which are more fully described below. These issues are not being raised in priority order nor are they recommendations but rather recognition that it would be valuable to address them at some point in time.

A. Funding

The funding issues raised by the committee include levels of funding for the Development Section of the STIP (D-STIP), how to handle issues of leverage, funding impacts of OTIA 3 and what features should be included in the preservation program.

- ◆ *Funding for the D-STIP*— The committee supports the D-STIP and its importance to achieving the planning and environmental objectives of the program and to keeping projects moving forward. Members believe that the OTC should have some dialogue on the issue of how much resource/funding should be directed to the D-STIP. However, not all members of the committee agree that a D-STIP target is an important objective.
- ◆ *Leverage*—Leverage is a prioritization criterion throughout this document and small jurisdictions may be at a disadvantage because they cannot always afford the match or leverage. The committee recommends that the Commission have a discussion on how to achieve balance between projects that are leveraged by funds or other activities and those projects for which it is not possible to provide the local leverage.
- ◆ *Impacts of OTIA 3 on Modernization*—The committee heard a presentation by the Director regarding OTIA 3 and the future impact to modernization funds in order to pay back bonds. With the potential reduction in future modernization funds, the committee believes that the commission may want to reevaluate the various program funding levels and in particular the use of the current regional equity formula.

- ◆ *Preservation*—The committee also raised issues around the preservation program funding distributions/allocations. There is a concern that there are such strong silos between the preservation, bridge and modernization programs that they do not provide the flexibility to assess the long term implications for constructed projects and local government's vision for the area. Additionally, the committee felt that the preservation program should provide for more extensive consultation with local governments with better project coordination as an objective, with the primary focus on the features that should be considered as part of a preservation project and how enhancements could be coordinated with affected parties. Similar concerns were also raised regarding bridge rehabilitation projects. The committee recognized that these issues become more significant as modernization funds are reduced in order to pay back bonds authorized under HB 2041.

B. Application of STIP Criteria

- ◆ *Model Criteria*—One area which may both support the evaluation process and assist the ACTs and other regional advisory groups is the development of a model that could be used to evaluate and rank projects. At a minimum, the committee requests that staff obtain the various models currently being used by staff and the ACTs and make them available to other ACTs.
- ◆ *Relationship with the ACTs*—Communication is a critical feature to the successful implementation of these policies. To that end the committee encourages the Commission members to continue their liaison role with the ACTs. It is also important that support for ACTs be continued. The committee believes this can best be accomplished by clear direction to ODOT staff or to others providing support to the ACTs and supports ODOT's work to spell out expectations in a definitive Directive to ODOT staff.

C. Future Work

- ◆ *Joint MPO/ACT Meetings*—The committee also discussed successful implementation of these criteria and other future efforts. One suggestion was holding a joint MPO/ACT meeting on an annual basis. Two key advantages of such a meeting are 1) that any direction from the Commission would be shared directly with those responsible for implementing it and 2) the ability of these regional advisory committees to network and share their knowledge and experience in handling a variety of issues is increased.
- ◆ *Other Programs*—The STIP Stakeholder Committee believes that this document clarifies how modernization (including D-STIP), preservation and bridge STIP decisions are made. This step is important to improving the transparency of decision making for these components of the STIP. The committee believes that other categories and programs in the STIP should seek the same level of transparency of decision-making including eligibility, prioritization, or other factors for consideration for these STIP elements.

- ◆ *Explanation of Funding*—Members of the committee expressed an interest in understanding the various funding types that frame the STIP and their flexibility. This information would cross all STIP programs.

D. House Bill 2041

These criteria have not been fully reconciled against the legislative action of HB 2041 or other legislative action, which may impact this work. It is recognized that upon conclusion of the Commission workshop it may be necessary to make changes to this document due to legislative action. The committee also recognizes that in the interest of keeping this a living document, it should be reviewed, edited and updated following each legislative session.

Finally, as Committee members, we would like to thank the Commission for the opportunity to serve on this committee for the last 2 ½ years. Members are willing to assist as needed in the future on the issues raised or in any other area that the Commission believes the committee can be of assistance.

