

## **Transportation Advisory Board**

of the Metropolitan Council of the Twin Cities

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**TO:** Transportation Advisory Board  
**FROM:** Kevin Roggenbuck, Transportation Coordinator  
**DATE:** September 2, 2010  
**RE:** Policy Issues for the TAB to consider in creating the 2011 regional solicitation.

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The TAC Funding and Programming Committee discussed the eight policy issues affecting the 2011 regional solicitation at their meeting on August 19. Although the committee is not finished, their discussion did generate a short list of “pros and cons” about each issue and several additional points to consider or questions to answer. Please consider this a “first draft” response from the TAC Funding and Programming Committee for the TAB’s information and continued discussion in September.

The TAC Funding and Programming Committee will meet again in September to continue discussing these issues. Staff will provide additional information to the committee as needed and they will forward a more developed or definitive position on each of these issues to the TAB in October.

## **Policy Issues for TAB to Consider in Revising the Regional Solicitation for 2011.**

The TAC Funding & Programming Committee began discussion of eight issues raised during the previous solicitation and from evolving policy directions at its July meeting. The purpose of the discussion is to provide the TAB with technical advice to help them make a policy decision whether to pursue a new direction called for in these issues prior to the review of technical criteria. The TAC Funding and Programming Committee discussed these issues at their August meeting. The TAB Programming Committee also discussed the policy issues in August. Below are eight issues that have been identified as needing some policy guidance. The TAC is asked to discuss these issues and add discussion points that the TAB should be aware of. The TAC Funding and Programming Committee will take up these issues for further discussion in September.

### **1. Elevating Preservation as a Goal.**

The TAC Funding & Programming Committee had a lengthy discussion on this proposal. There was consensus on the committee to use the Augmenter system as a pilot to test a new funding priority.

#### Pros:

- There is a need for older communities to reconstruct important roadways that have not been reconstructed in over 50 years. The cost of doing so is quite expensive so communities like St Paul, Minneapolis and older suburbs make do with temporary solutions that are less than fully adequate at making these roads function as urban minor arterials. The federal funds would make it possible for these communities to make these improvements. These roads are usually located in areas that provide few, if any, opportunities for capacity expansion or access management improvements.
- Preservation is more in line with the priorities of the core communities of the region.

#### Cons:

- If we focus the Augmenter system toward preservation and away from Expansion, there will be less funding for expansion and we may miss out on expansion opportunities in the core. The selected project in 2009 was a new alignment in Minneapolis (Granary Road).

#### Issues to Consider:

- This issue is primarily a concern for cities and counties operating in the older built-out areas of the region (Augmenters and some Relievers). These areas have few opportunities for capacity expansion but many important routes with major preservation needs, while communities in the growing newly-populated areas of the region do not generally have as old of a system and need the STP funding to help address increased traffic from growth more than preserving the existing system.

- What is the state of the “A” minor arterial system, particularly the counties “A” Minor Arterials?
- Preservation projects and Expansion projects do not lend themselves to “apples-to-apples” comparison since you cannot meet the goals of congestion mitigation, air quality improvement and safety improvements with a simple preservation project. Do we need separate criteria for these kinds of projects? Or do we lower the importance of those criteria and add new preservation criteria to fill out the evaluation.
- We should elevate safety in importance as a criterion on preservation projects. Congestion mitigation, air quality and access management could be lower in importance for these roadways.
- With the exception of crash reduction, the cost effectiveness criteria measure those aspects that would not be achieved on a preservation project (air quality, congestion reduction). How would we measure cost effectiveness of preservation projects. Our current cost-effectiveness criteria do not measure lifecycle or maintenance cost savings that preservation projects can incur.
- There was a concern that this would lead us to fund mill and overlay projects using federal funds. Any improvements should be long-term improvements.
- We need to reevaluate the functional classification system as a whole. Some of the definitions do not fit. For instance, Bloomington has a characteristic more similar to a mature suburban community inside the ring but it lies outside of the ring so its roadways are classified as Expanders. For this reason, it has a difficult time competing against other Expanders in developing areas that can be expanded more easily and cheaply. Similarly, Augmenters may not fulfill the same role that they did when that typology was first developed. If we are going to change the Augmenter criteria, we may want to evaluate the Augmenter definition.
- The TAB adopted the Minor Arterial Study Report in September, 1990. The purpose of the study was to determine the role and a funding strategy for the region’s minor arterial system. The study concluded that maintaining regional mobility on minor arterials was a critical funding need for the region, and the passage of ISTEA in 1991 created a funding stream to implement the study. Interestingly, the Minor Arterial Study did not include Augmenters as a category of “A” Minor Arterials, but they were included in the first “A” Minor Arterial System adopted by the Board and included in the first regional solicitation in 1993. Providing mobility is still the key reason for having and funding improvements on the “A” Minor Arterial System. The trick is how to provide mobility on Augmenters and provide greater emphasis on preservation.

## **2. Improving Cost Estimating.**

The region strives to fund cost-effective projects. We have cost-effectiveness criteria in the applications for STP that reward projects that can deliver higher benefits in air quality, congestion relief and safety per dollar spent. The problem with this method of evaluating cost-effectiveness is that costs are not always known in the early scoping stages of a project, which is where most projects are in the planning process when an application is submitted.

Pros:

- There have been numerous cases where project costs have increased significantly after more careful analysis is completed further in the design process. While this situation does not affect the federal funds since all cost increases are borne by the applicant, these projects sometimes may have received higher scores because of good cost-effectiveness when they were in fact not as cost-effective as or any more cost-effective than other projects they competed with. There likely have been cases where a project would not have been selected if its true cost were reflected in the application. What does it take to get better estimating without making it onerous for applicants?

Cons:

- In some ways, we already penalize applicants for inaccurately calculating costs because local applicants end up having to pay for all increases on their own.

Issues to Consider:

- Most mistakes in cost estimating are the result of immature projects. We could do an historic analysis of cost estimate accuracy versus project readiness score. If there is a correlation, we could revise the project readiness criteria and increase its point value significantly.
- We should not make project elements the same because the costs can be so different depending on the context.
- We could use MnDOT's LWD and break it up by area to get at costs per project element.
- There should be some assessment of risk in the cost estimate based on the amount of study and public involvement done prior to submitting the project. Perhaps it can be scored somehow.

### **3. Non-Freeway Principal Arterials and Consistency with the new 2030 Transportation Policy Plan.**

There was no support at the TAC Funding and Programming Committee to change the criteria in this category.

Issues to consider:

- Non-freeway principal arterials are part of the Metropolitan Highway System. The draft 2030 TPP states that the region should focus investments toward the safe operation, preservation and maintenance of the Metropolitan Highway System.

### **4. Integration of Modes.**

Integration of Modes has been a prioritizing criterion for many years. Every project submitted in the last solicitation included some accommodation for pedestrians, bicycles and transit vehicles (where applicable). The *2030 Transportation Policy Plan* states that all roadway projects should be designed in

such a way that incorporates the accessibility and safety of all users of the transportation system at the beginning of the planning and scoping process. In light of this policy direction, which has been in effect in some way for many years, and the new Complete Streets legislation, it may be time to incorporate routine accommodation of all transportation modes in the qualifying criteria and simplify the prioritizing criterion to only look at whether and how non-motorized and transit elements of projects connect to an existing and planned network or system.

Pros:

- This would make the prioritizing criteria for mode integration simpler than it is today. We could instead evaluate the contribution to the development of bicycle, pedestrian or transit mode network that is made by the project and not the individual components of the intermodal elements of the project. Counting all of the intermodal elements used to be necessary because mode integration did not used to be commonplace, but they are now generally included in all projects submitted for federal funding. As a result, projects cannot be differentiated from one another in the criterion.

Cons:

- Do not use the term "Complete Streets" because there is a lot of misunderstanding of what that term means. It does not mean "all modes on all roads."

Issues to Consider:

- Qualifying criteria should be flexible enough to allow for facilitation of non-motorized travel outside of the roadway right-of-way (for instance, on a parallel street or nearby trail). Federal funds can be used to facilitate bicycle travel on trails and local roads so those elements can be part of an application but may require more inter-jurisdictional coordination to make happen.
- The criteria could evaluate the quality of other modal elements in highway projects much like how it is done in the Enhancement program
- The TAC and TAB need a better understanding of what the Complete Streets legislation means to the regional solicitation. Are there new requirements or mandates that could affect the regional solicitation criteria?

## **5. CMAQ System Management.**

System Management projects typically involve technological approaches to better manage traffic flow such as coordinating signal timing on a roadway or roadway network, installing traffic management systems as well as roadway design and signals that help high occupancy vehicles move more quickly and efficiently. These types of projects are highly effective at reducing air pollution and reducing congestion but the TAB has not received many applications for these types of projects in the last two solicitations since this category was established. This situation may not reflect a lack of need or interest but instead

that potential applicants are too burdened with applications for larger transportation projects (like STP and TE projects) that they do not bother to put applications together for these projects, which are typically much smaller. A suggestion has been made to change the way that the region allocates resources to these types of projects by setting aside some amount of CMAQ funding to create a program whereby cities and counties can complete eligible signal improvements and other system management improvements using these federal funds on an ongoing basis. These projects do not typically require the same amount of time to complete as highway and trail projects.

Pros:

- A programmatic approach may allow smaller projects to be funded. The minimum project amount is currently \$500,000 which is too high for many eligible system management projects.

Cons:

- We have many systems that we need to manage. How do priorities get determined without receiving applications? The freeway system is eligible to receive CMAQ funding. Support of managed lanes on freeways could be eligible but should not be allowed to compete with management of the minor arterial and collector systems.

Issues to consider:

- It is difficult to establish a set-aside amount when we do not know what demand there is for these kinds of projects.
- Any work on signals should also include ADA upgrades.
- The TAB should drop its prohibition on funding engineering and planning work for this kind of project since that is often the largest need for these kinds of projects. The construction costs are low compared to the engineering.

**6. CMAQ Transit Expansion: Implement a shorter timeframe between application and program year.**

Pros:

- Transit projects do not require the same amount of time to develop as highway and trail projects so the 4 to 5 year lead time is not necessary.
- The transit business is subject to changing conditions in the market for transit service and funding paradigms. Soliciting for projects closer to the program year would result in projects that are more responsive to these changing conditions.

Cons:

- This approach may allow transit agencies to switch their priorities continuously; it would not reward long-range planning.

Issues to Consider:

- If the timeframe is changed, there will be no solicitation for transit expansion projects CMAQ in 2011. Should the solicitation for system management projects also be suspended for 2011?
- Applicants who receive funding to build a park and ride facility or transit station will likely need more than two years to develop the project.

**7. CMAQ Transit Expansion: Setting aside \$5 million per year in CMAQ to build a preservation account to buy replacement buses.**

Pros:

- There are fewer funding sources for preservation than for expansion and the biggest unfunded need on the system is to replace buses.
- This approach is better aligned with the regional transit priorities to ensure that the existing system is maintained.

Cons:

- Federal funding should be used as a seed to do new projects, not to help with basic operation of the system.

Issues to Consider:

- Should this be a set-aside or a competitive process? We want to make sure that all eligible entities have access to this funding and that the most worthwhile projects are selected but we do not want to make an application process that is too costly on applicants for a limited program like replacement buses. The Met Council suggests that it should not be allocated through a competitive process.
- Should this be limited to replacement buses or can it be opened up to park-and-ride maintenance and other preservation projects in the transit system?
- There should be a forum with all transit providers to weigh in on how this program should be set up.
- Will this transfer be done as a pilot program or a permanent part of the regional solicitation?
- The TAB would still want to make the funding decision.
- The CMAQ program is the least competitive of the four programs in which the TAB solicits projects, so applying some of it to transit preservation makes sense. CMAQ funds cannot be transferred until they are identified in the federal transportation Act and the current extension runs through the end of CY 2010. Staff will need to research how to transfer the funds.

**8. CMAQ Transit Expansion: Better align the solicitation with the region's transit expansion priorities after the development of the Regional Service Improvement Plan (RSIP).**

Pros:

- The Regional Service Improvement Plan will be developed by the end of this year. All transit providers are involved in this effort being led by the Metropolitan Council. This kind of plan was not available in previous years. It would not need to be the only criteria but a new criterion for prioritization. Projects would be grouped into priority areas and not ranked individually in the RSIP.
- In the 2009 Solicitation, the Council did not provide local match for all proposed CMAQ projects because some of the proposals were not high priorities for the region reflecting a divergence in the CMAQ priorities from the regional priorities.

Cons:

- There is a concern that the RSIP will not reflect individual transit agency priorities and local priorities.
- There is a concern that the process to develop the priorities in the RSIP is not open and fair.
- The TAB does not have influence on the priorities in the RSIP. Is it shifting some or all decision-making responsibility to the Metropolitan Council?
- The TAB must have a say in how this funding is spent; its involvement is in the Prospectus.

Issues to Consider:

- How this proposal is handled is not fully developed. There seems to be some concern that the RSIP will replace the solicitation but Council staff stated that they are not proposing this. The RSIP priority rating could instead be a major prioritizing criterion in the CMAQ solicitation. How much influence should the RSIP have in the CMAQ Transit Expansion category?
- The Met Council has a six-year capital improvement program and the opt-out providers have a CIP as well. How is a RSIP different or better than a CIP?
- CMAQ Transit Expansion criteria are developed from the goals, policies and strategies in the TPP and written with much input by Metro Transit staff. We also utilize other Council transit resources like the Park and Ride Demand Study. Projects must be consistent with the TPP to qualify. Not sure how the projects submitted by regional transit providers and scored reflect a divergence from the regional transit priorities.