

Memorandum Date: February 1, 2010
Meeting Date: February 16, 2010

TO: Board of County Commissioners

DEPARTMENT: Public Works

PRESENTED BY: Celia Barry, Transportation Planning

AGENDA ITEM TITLE: PUBLIC HEARING AND ORDER/IN THE MATTER OF COMMENTING TO THE OREGON DEPARTMENT OF TRANSPORTATION (ODOT) ON DRAFT ELIGIBILITY CRITERIA AND PRIORITIZATION FACTORS FOR THE 2012-2015 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

I. MOTION

Move approval of the Order (Attachment 1).

II. AGENDA ITEM SUMMARY

The Oregon Department of Transportation (ODOT) is embarking on the 2012-2015 STIP and the first step is to request comment on draft Eligibility Criteria and Prioritization Factors. Comments are due February 19.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

Overview of STIP Process

The STIP is Oregon's four year transportation capital improvement program. It is the document that identifies the funding for, and scheduling of, state transportation projects and programs. The STIP adoption cycle begins anew every two years.

Lane County is Area 5 of ODOT Region 2. It is one of four Areas in Region 2 (there is no Area 2; Area 2 is in Region 1). The STIP process has typically involved four major steps of interaction between Regional offices and the Areas within them:

1. ODOT revisits the previous year's project Eligibility Criteria and Prioritization Factors and provides opportunity for comment. In the previous 2-year cycle, the Board was briefed on the Eligibility Criteria and Prioritization Factors and due to insignificant changes since the previous STIP cycle, and County budget priorities, the Board of Commissioners declined to hold a process on STIP 2010-2013 criteria and factors. The Central Lane Metropolitan Policy Committee (MPO) submitted comments regarding the difficulty in meeting local match requirements and the lack of representation for this Area on the STIP Stakeholder Advisory Committee.

The Eligibility Criteria and Prioritization Factors were adopted by the Oregon Transportation Commission (OTC) in 2000, for ODOT's Modernization, Pavement Preservation, and State Bridge programs. They are revisited every two years when the four-year STIP is revisited.

2. In the past, Region 2 has identified Large Projects (those over \$15 million) and developed a Large Project Priority list for comment.

Lane County's large project priorities in the last STIP cycle were:

- I-5/ Beltline Highway Interchange (\$60-\$90 million)
- I-5/Coburg Interchange (\$35-\$40 million)
- Beltline Highway/River Road to Coburg Road (\$200-\$250 million)

3. Based upon available funds, ODOT requests a preliminary priority project list for the STIP cycle. There are more modernization needs than funding available within the Region, so each Area submits a preliminary list of projects worth approximately 150% of available funding. Lane County notifies cities and interested parties and holds a public hearing, before adopting a list of preliminary priorities that are submitted for Region-wide consideration.
4. The Region considers all Area proposals and sends back a "straw proposal" for comment. The Board of County Commissioners holds another public hearing and adopts an Order responding to the proposal. The Oregon Transportation Commission, appointed by the Governor, holds a public hearing, considers local priorities, and ultimately takes official action to adopt the STIP and it is processed through the Governor's office and the Federal Highway Administration.

The last STIP cycle was unusual because it experienced a major and not fully anticipated shortfall mid-cycle, and ODOT placed it on hold in September 2008. In response, ODOT requested several "tasks" of local governments and Metropolitan Planning Organizations (MPOs). These tasks included consideration of two STIP cycles and hypothetical priorities given that a large funding package were to come about.

Then, HB 2001 was enacted. ODOT restarted the 2010-2013 STIP process now that additional funding is available from HB 2001. The 2012-2015 STIP process will overlap with the 2010-2013 STIP process (as is usual).

As part of the above four steps, Lane County sends a representative to an All Area Commission on Transportation (ACT) meeting with all Region 2 ACTs. The ACTs and Lane County work to develop a single Region 2 Priorities list. As you know, Lane County is now working to form a Lane County ACT.

Commissioner Handy attended the last Region 2 All Area Meeting on the 2010-2013 STIP, on October 29, 2009. He has briefed the Board on some of the highlights of that meeting.

HB 2001 STIP Criteria Review and Least Cost Planning (LCP) requirements

HB 2001 directs the OTC to work with stakeholders to review and update criteria used to select projects within the STIP. HB 2001 contains requirements for addressing ten "Considerations". The legislation also requires ODOT, in consultation with local governments and MPOs, to develop an LCP model for use as a decision making tool in the development of plans and projects at both the state and regional level. LCP means "a process of comparing direct and indirect costs of demand and supply options to meet transportation goals, policies or both, where the intent of the process is to identify the most cost-effective mix of options." (HB 2001, Section 6). You were previously briefed on HB 2001 on December 16, 2009.

Metropolitan Policy Committee

Ideally, before asking the Board to submit comments on any part of the STIP, both the Roads Advisory Committee (RAC) and the Metropolitan Policy Committee (MPC) would first make a recommendation for you to consider. The timing of information provided by the state (December 21, 2009) and local meeting dates sometimes precludes this sequence of process.

Roads Advisory Committee (RAC)

The RAC received a briefing on this item, however, staff had not had an opportunity to discuss the Criteria and Factors with colleagues or glean information from other jurisdictions or resources. The RAC discussed the Criteria and Factors and provided individual comments but the RAC declined to forward a recommendation. They are interested in the outcome of your discussion. RAC members had the following individual comments:

- There is an urban mentality inherent in the content of the materials. The state needs to start thinking more about rural areas. Unincorporated areas will always rely on non-alternative modes. There is too much focus on transit given the size of our metro area.
- What will happen if climate change solutions fail? If the ocean warms it will release large levels of methane. Results of failure are lethal. There is not enough attention to this.

Board Action History

Due to the STIP funding shortfall, prior to enactment of HB 2001, ODOT structured the 2010-2013 and 2010-2015 STIP in a series of "tasks" that the Board was asked to comment about. The Board last took action on the STIP with Board Order 08-4-30-10, on April 30, 2008 (copy in Attachment 2).

ODOT Communication Regarding Changes in the Criteria and Factors

ODOT principal planner Lucia Ramirez provided the following summary of the changes and rationale for some of the changes. She also offers a question for your consideration, shown in bold:

There are considerable changes proposed to this document for the 2012-2015 STIP. It is important to consider the whole document as explanations and expectations are included throughout, thus the table summarizing the criteria are moved to the beginning of the D-STIP and C-STIP sections. The introductory information in the front of the document is mostly new and explains changes resulting from House Bill 2001 and the likely direction of changes to the criteria in the future. There is further emphasis on OTP Policy 1.1 and OHP Action 1G.1, and there are new prioritization factors to address safety, environment, and the land use and transportation relationship.

*The separate columns for Prioritization Factors for Modernization, Preservation, and State Bridge have been merged into one. This is because there were previously factors repeated in the different columns, and because thinking across programs about the safety and efficiency of the system as a whole should be encouraged, even though we are still currently bound by the restrictions for each funding program. **Please ask your stakeholders and constituents whether this helps them consider the function and efficiency of the system in their area and the relationship among projects***

from the different programs including not only Modernization, Preservation, and State Bridge, but others such as Safety, Bike/Ped, and Transportation Enhancement.

Last, in prior STIPs, the documentation expectations were written separately in instructions for the project reporting templates. This time, the documentation expectations are included in this document following each criterion or factor. You will see that the documentation expectations are more specific this time. Please note that special studies or extensive research is not expected, although where data or further information is available, it should be described in the documentation. State Bridge and Preservation project documentation can be done similarly to previous STIPs, and address the relevant Prioritization Factors. D-STIP and Modernization projects will need to address each Prioritization Factor, but where one clearly does not apply, not applicable can still be the answer. Project reporting templates will still be provided, but the expectations for what constitutes meeting each criterion or factor is clearly specified in the criteria document.

B. Policy Issues

The Lane County Transportation System Plan (TSP) includes Policy 2-b: *The County shall coordinate, as appropriate, with ODOT in: (i) plan development; (ii) managing the existing state system; and (iii) designing and developing facility improvements on the state system in Lane County.*

TransPlan is the Eugene-Springfield Metropolitan Area TSP and includes the following Finance Policy #3: *Set priorities for investment of Oregon Department of Transportation (ODOT) and federal revenues programmed in the region's Transportation Improvement Program (TIP) to address safety and major capacity problems on the region's transportation system.*

C. Board Goals

The following Strategic Plan Goal statements relate to this Board item:

- Provide opportunities for citizen participation in decisionmaking, voting, volunteerism and civic and community involvement; and
- Contribute to appropriate community development in the areas of transportation and Telecommunications infrastructure, housing, growth management and land development.

D. Financial and/or Resource Considerations

The financial implications of taking action on this item relate to federal transportation funds made available for State Highway improvements. Any federal monies allocated to a County project through the STIP process may require a local match.

E. Analysis

The STIP criteria consist of two parts: Eligibility Criteria and Prioritization Factors. The rating process concerns Development (D-) STIP projects and Construction (C-) STIP projects. Projects are all in the Highway program and include Preservation, Bridge, and Modernization projects. Bicycle and pedestrian projects, and transit projects, are

ranked by other processes.

The Eligibility Criteria and Prioritization Factors represent two thresholds: all projects must meet the Criteria to be further considered, while those projects that pass this threshold are then considered further for prioritization according to the Factors.

Region 2 currently has several large, complex modernization projects in process, and they have been priorities for a number of years. Priority setting has already occurred in previous STIP cycles for these modernization projects that are in development, nearing construction, or in construction. Attachment 3 includes Region 2 maps showing all modernization, preservation, safety/operations, and bridge projects in the 2010-2013 STIP. New projects, those with added funding, or those being moved from the D-STIP to the C-STIP need to be evaluated against the new criteria. Projects within the last two years of the current STIP (and are just being moved to the next STIP), which have no changes, do not need re-evaluation.

HB 2001 Section 64 specifies financial earmarks for specific projects. These projects are not subject to the criteria because they are designated priorities by virtue of being specifically allocated funding by the legislation. As such there is likely to be discussion of what this signifies with regard to other projects being evaluated for prioritization. Commissioner Handy and Mayor Piercy have asked MPO staff to draft a letter asking OTC about this issue as well as how project financing will be affected if federal earmarks presumed to be allocated by HB 2001 do not fully materialize. This process is another opportunity to emphasize these concerns.

Region 2 expects to receive information about its allocation in June, and ODOT staff will work with MPOs and local agencies to prioritize projects using the 4 steps listed above or some similar process. If the draft Eligibility Criteria and Prioritization Process is adopted as proposed, it will include significant additional process and documentation.

Attachment 4 is the Draft Criteria and Factors. It is prefaced by a well-written, 11-page "Directions for Guidance and Use" that describes the STIP Stakeholder Committee and process, lists the ten HB 2001 Considerations (page 4 of 29), and provides additional information about the STIP Eligibility Criteria and Prioritization Factors and changes resulting from HB 2001.

HB 2001 requirements include reviewing the ten Considerations and developing a Least Cost Planning (LCP) model as mentioned above under Section III.A., HB 2001 STIP Criteria Review and Least Cost Planning (LCP) requirements. As noted on page 3 of Attachment 4, the Draft Criteria and Factors are an interim step for ODOT to move toward least cost planning methods. Adequate measures and modelling methods are not yet available to address HB 2001 LCP requirements. By February 2011, ODOT must report on progress in developing the LCP model and make any legislative recommendations. ODOT is engaging a Stakeholder Committee for this effort, as discussed in more detail below.

Changes from 2010-2013 in Eligibility Criteria and Prioritization Factors

Attachment 5 is a table showing changes in the 2012-2015 Draft from what was adopted for the previous 2010-2013 cycle. Those changes are in list format, cross referenced with the ten HB 2001 Considerations, at the conclusion of this subsection.

HB 2001 directs the OTC to work with stakeholders to review and update criteria used to select projects within the STIP. The STIP Stakeholder Committee (composition in Attachment 6) was charged with reviewing the Criteria and Factors to address HB 2001 requirements and met on five occasions as part of their Phase I work. They reviewed the ten HB 2001 Considerations and the 2010-2013 Criteria and Factors, and identified gaps between the two documents. The changes they made seek to address these gaps.

The ten HB 2001 Considerations are listed on page 4 of 29 of Attachment 4. Most of the changes to address the Considerations are to the Construction STIP Prioritization Factors. The changes also require increased documentation that Criteria and Factors are met. They place greater emphasis on the promotion of alternative modes and alternatives to modernization projects, integration of transportation and land use, and setting the stage for least cost planning (LCP), which the Committee will address in Phase II of their work.

HB 2001 lists benefit-cost comparisons and greenhouse gas (GHG) emissions as Considerations 7 and 10, concerning cost-benefit and GHG emissions reductions. While changes to the 2012-2015 Draft Criteria and Factors seek to ensure these are considered in project prioritization, such as through an increased emphasis on alternative modes and strengthening of language to promote alternative solutions to modernization projects, the Draft does not require these two Considerations to be addressed as specific criteria, nor to be documented. It is expected that the next STIP cycle will include criteria addressing LCP and GHG emissions.

The Stakeholder Committee decided to more fully address Consideration 7 regarding cost-benefit analysis in the context of their Phase II work in which they will develop an implementation methodology for Least Cost Planning (LCP). The existing criteria address cost and benefit considerations to some extent, and costs and benefits are addressed elsewhere, such as in the ODOT safety, pavement and bridge management systems. As noted previously, ODOT is required under HB 2001 to develop a LCP methodology by February 2011, and the Stakeholder Committee is charged with helping with that task.

With regard to GHG emission reductions, the Stakeholder Committee determined that there is not yet a standard to measure the reduction of vehicular GHG and its effect, and that this is needed before goals are created to meet some unknown standard. It was noted that there are ways of measuring GHG emissions overall, but it is difficult to associate them with specific investment projects. The difference between rural and urban areas with regard to GHG emissions was another issue that made it difficult for the group to come up with a STIP criteria to address GHG emissions. Oregon Environmental Council (OEC) has issued public comments that the Draft could go further in addressing GHG emissions reductions, but did not give specific recommendations how to accomplish this, although OEC did offer as examples “. . . VMT, fleet mix and modal split can serve as a rough proxy . . .” (Attachment 7, last sentence).

Another major change is that in previous STIP cycles, Preservation, Bridge, and Modernization projects were listed in separate columns and had separate Prioritization Factors because, although prioritization factors were historically the same in some cases for each program, it is difficult to meaningfully compare the relative value of a

Preservation project and a Bridge project, as one example. The 2012-2015 Draft requires all projects to be reviewed for the same Prioritization Factors. This raises questions about the kind of impact that a bridge replacement or preservation project, might have on consideration of a modernization project, such as safety improvements to the Beltline Corridor.

The Stakeholder Committee discussed whether to add weighting to the Prioritization Factors and decided to hold off until a future STIP cycle. They noted that the 2012-2015 Draft makes it clear that future STIP cycles will carry more significant changes to address the HB 2001 Considerations, in particular GHG emissions reductions, and least cost planning requirements.

Following is a summary of changes in list format with corresponding references to the HB 2001 Considerations:

Development (D)-STIP Eligibility Criteria

- These are essentially the same as for the 2010-2013 STIP. A reference in the definition of “D-STIP” projects, to “project of statewide significance”, was removed because the term implies a prioritization that does not actually exist.

D-STIP Prioritization Factors

- Multi-modal considerations are strengthened and the stage is set for least cost planning by a new requirement, “Implements Oregon Transportation Plan (OTP) Policy 1.1., was added:
It is the policy of the State of Oregon to plan and develop a balanced, integrated transportation system with modal choices for the movement of people and goods.
- Attachment 4, page 16 of 29, further spells out Strategy 1.1.4. that is called out by the Prioritization Factors. This was added to start to address HB 2001 Consideration 10, *Is consistent with the state’s greenhouse gas emissions reduction goals and reduces this state’s dependence on foreign oil.*
- “Projects that best support the Oregon Highway Plan (OHP)” was removed because it was added to the Introduction as a general expectation.
- “Projects that leverage other funds and public benefits” was removed because “leverage” was more narrowly defined in the criteria.

C-STIP Eligibility Criteria

- Overall, the Criteria for Modernization, Preservation, and State Bridge were consolidated into one list.
- The Modernization criteria, “Are consistent with the OHP policy 1.G., 1.G.1., on Major Improvements” was moved to the Prioritization Factors list.
- The Bridge criteria, “Are improvements or work needed to rebuild or extend the service life of existing bridges and structures,” was moved to a footnote, because the ODOT “management system,” already accounts for this requirement. The management system is an automatic project rating system used for preservation, safety, and bridge projects.

C-STIP Prioritization Factors

- Overall, the Factors for Modernization, Preservation, and State Bridge were consolidated into one list.
- The Modernization criteria, “Are consistent with the Oregon Highway Plan policy

- 1G., Action 1G.1., on Major Improvements” was strengthened by replacing “Are consistent with”, with “Implements”. In addition the footnote was changed.
- By reference in OHP policy/action 1G.1., adds OHP Policy 2B.

As noted in Attachment 5, page 10, the changes accomplish the following:

[In combination], OTP 1.1.4 and OHP 1G.1 can require a more thorough look at options before a major modernization project is selected and point towards a least cost planning approach. This new language is intended to set a higher expectation for consideration of alternatives and explanation of why the project was chosen and how it is consistent with the intent of the policy. . .

. . . Policy 2B: Off System Improvements also can help. It is included here because it is another alternative to additional highway capacity and off system improvements are mentioned in the text of Action 1G.1 Policy 2B also may assist the goals of livability and accessibility and mobility. .

This was added to start to address HB 2001 Consideration 10, *Is consistent with the state’s greenhouse gas emissions reduction goals and reduces this state’s dependence on foreign oil.*

- Adds “Implement OHP Policy 1B: Land Use and Transportation including support for applicable land use plans and support for sustainable urban development, along with a footnote. This addresses HB 2001 Consideration 8, *Fosters livable communities by demonstrating that the investment does not undermine sustainable urban development.*

Attachment 5, page 13 notes:

“This factor and footnote . . . are intended to address the STIP Stakeholder Committee’s comments on integration and livability and begin to address the Committee’s comments on the environment and greenhouse gases. They also may help set the stage for least cost planning in the future.

- Adds, “Support state and local economic development plans and goals,” and a footnote. This was added to address HB 2001 Consideration 6, *Supports improvements necessary for this state’s economic growth and competitiveness , accessibility to industries and economic development.*
- The “Support freight mobility” Factor was carried forward with more explanation and language from HB 2001 considerations, and calls out multimodal connections for freight.
- “Improve the safety of the transportation system” appears to be new but is not called out as such in Attachment 5. Safety considerations are inherent components of ODOT’s Management System that prioritizes Preservation, Safety, and Bridge projects. This addresses Consideration 2, *Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the efficient movement of people and goods and preserving the public investment in the transportation system.*
- “Implement Oregon Highway Plan Policy 5A: Environmental Resources appears to be new but is not called out as such in Attachment 5. This is meant to address HB 2001 Consideration 9, *Enhances the value of transportation projects through*

designs and development that reflect environmental stewardship and community sensitivity.

- “Projects that leverage other funds and public benefits” was made more specific to focus on other funds, contributions, and investments.
- “Projects that best support the Oregon Highway Plan” was removed because it was added to the Introduction as a general expectation.
- “Projects that support the approved Bridge Options Report . . .” is outdated and was removed.

ODOT staff will be available to provide an overview slide presentation on this matter (Attachment 8).

IV. Alternatives/Options

1. Approve the proposed Order
2. Approve a modification to the Order
3. Decline to adopt the proposed Order

V. TIMING/IMPLEMENTATION

In March 2010 OTC will approve project eligibility criteria and prioritization factors, as well as program goals and funding allocations for the 2012-2015 STIP.

VI. RECOMMENDATION

Option 1 is recommended. If public comment and Board discussion results in changes to the letter proposed in Board Order Exhibit A then Option 2 is recommended.

VII. FOLLOW-UP

No specific follow-up at this time is necessary. Both the 2010-2013 and 2012-2015 STIP processes are moving forward and the Board will be asked to participate in the next steps in the process.

VII. ATTACHMENTS

1. Proposed Board Order and Exhibit A, Comment letter
2. Board Order 08-4-30-10
3. Region 2 maps of modernization, preservation, safety/operations, and bridge projects in the 2010-2013 STIP
4. Draft 2012-2015 Directions and Guidance for Use, and Criteria and Factors
5. Table of Changes from the 2010-2013 STIP
6. STIP Stakeholder Committee Composition
7. Oregon Environmental Council initial comments on the Draft
8. ODOT Slide Presentation