

# METRO COUNCIL

## Work Session Worksheet

**PRESENTATION DATE:** May 30, 2017

**LENGTH:** 45 minutes

**PRESENTATION TITLE:** Building the 2018 RTP Investment Strategy

**DEPARTMENT:** Planning and Development

**PRESENTERS:** Elissa Gertler and Kim Ellis (x1617, kim.ellis@oregonmetro.gov)

### WORK SESSION PURPOSE & DESIRED OUTCOMES

**Purpose:** Present MPAC and JPACT recommendations to Council on:

#### 1. RTP Policy Framework

- Approve the revised vision statement.
- Use the 2014 RTP Policy Framework and revised vision statement as starting point to guide building the draft RTP Investment Strategy.
- Begin work to review and recommend refinements to the 2014 RTP policy framework. Recognizing this RTP update has an increased focus on addressing safety, equity and climate change, the current policy framework will be subject to further review and refinement to more fully address these and other issues of concern identified through the process (e.g., congestion, maintenance, emerging technologies and funding).

#### 2. RTP Evaluation Framework

- Test updated system performance and transportation equity measures through analysis of the draft RTP Investment Strategy.
- Pilot project-level evaluation on projects anticipated to seek federal, state or regional funding.
- Evaluate and recommend adjustments to the measures and project evaluation criteria in advance of the final evaluation to address any deficiencies found during testing.

#### 3. RTP Funding Framework

- Accept the draft financially constrained forecast for purposes of the Call for Projects.
- Double the draft constrained revenue forecast to set an overall draft RTP Investment Strategy funding level for purposes of the Call for Projects.
- Set sub-regional capital funding targets (based on above) for purposes of the Call for Projects.

The above recommendations acknowledge that all three parts are a starting point for purposes of building a draft RTP Investment Strategy and all three parts will be subject to refinement in 2017-18. In particular, the draft financially constrained forecast will need refinements to reflect local, regional, federal and/or state funding discussions or actions that occur before the RTP and recommended investment strategy is finalized for adoption in 2018.

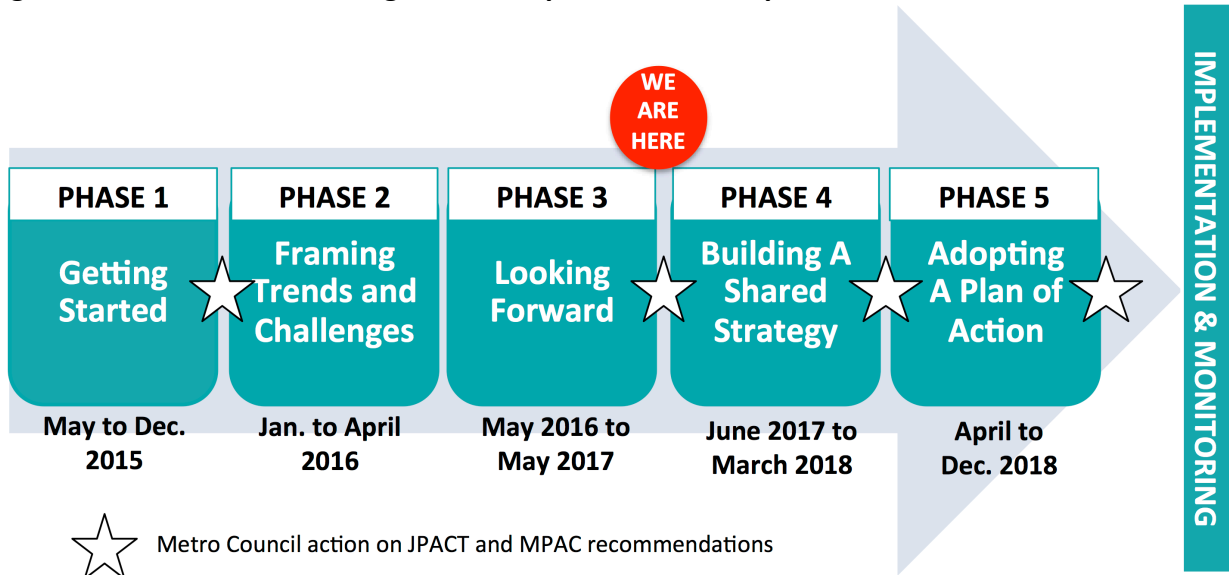
**Outcome:** Direction to staff for moving forward with building the draft RTP Investment Strategy as recommended by MPAC and JPACT.

## TOPIC BACKGROUND & FRAMING THE WORK SESSION DISCUSSION

The Portland metropolitan region's economic prosperity and quality of life depend on a transportation system that provides every person and business in the region with equitable access to safe, efficient, reliable, affordable and healthy travel options. Through the 2018 RTP update, the Metro Council is working with leaders and communities throughout the region to plan the transportation system of the future by updating the region's shared transportation vision and investment strategy for the next 25 years.

**Figure 1** shows where we are in the process.

**Figure 1. Timeline for 2018 Regional Transportation Plan Update**



In December 2016 and February 2017, Metro Council reaffirmed their direction to staff to use development of the 2018 RTP to clearly and realistically communicate our transportation funding outlook and support partner jurisdictions in planning for the future. This direction included developing a pipeline of priority projects for the regional transportation system that the region agrees to work together to fund and build. Council also directed the pipeline be developed in an efficient and transparent way that advances adopted regional goals, supports regional coalition building efforts, and emphasizes equity, safety and climate change in the region's investment priorities and related modal and topical strategies.

## THE OPPORTUNITY

### Regional context - Past actions and policy direction

Much has changed in the region since adoption of the Regional Transportation Plan (RTP) and Regional Active Transportation Plan (ATP) in 2014. Since the adoption of the 2014 RTP and ATP, several projects have been completed (e.g., Sellwood Bridge, Portland-Milwaukie Light Rail, Sunrise Project (Phase 1, Unit 1). TriMet completed plans for expanding local and regional transit service, and the Metro Council and JPACT adopted an ambitious strategy – called the Climate Smart Strategy – for reducing greenhouse gas emissions that necessitates a significant expansion of transit service throughout the region. In addition, as the federal and state funding landscape has changed, the region is playing a more active role in funding and financing priority regional projects, which has significant implications for project development and prioritization.

The RTP provides the policy foundation and goals to guide defining a pipeline of regional investment priorities – called the RTP Investment Strategy. The upcoming Call for Projects will build a draft 2018 RTP Investment Strategy (resulting in updates to the projects and programs in the 2014 RTP), providing an opportunity to follow through on those plans and actions, fully implementing the adopted Climate Smart Strategy, and more recent regional policy commitments adopted by JPACT and the Metro Council. These commitments include the 2019-21 Regional Flexible Funds Allocation decision to advance three priority bottleneck projects (I-5/Rose Quarter, OR 217, and I-205 widening – Ph. 1: I-205/Abernethy Bridge and Ph. 2: I-205 mainline), two priority transit projects (the Southwest Corridor and Division Transit projects), and active transportation project development work to accelerate construction of active transportation projects in the region.

JPACT and the Metro Council reaffirmed these policy priorities through adoption of the region’s 2017 Regional Policy and Funding Priorities for State Transportation Legislation on February 16 and March 2, respectively. Notably, a draft state transportation package to help fund these priorities is under development.

#### **Adopted RTP goals**

1. Foster vibrant communities and efficient urban form
2. Sustain economic competitiveness and prosperity
3. Expand transportation choices
4. Emphasize effective and efficient management of the transportation system
5. Enhance safety and security
6. Promote environmental stewardship
7. Enhance human health
8. Demonstrate leadership on reducing greenhouse gas emissions
9. Ensure equity
10. Ensure fiscal stewardship
11. Deliver accountability

#### **Federal and State context and implications for the 2018 RTP**

Additionally, the federal government completed rulemaking to implement two federal transportation bills with a new emphasis on outcomes, system performance, transparency and accountability in the transportation decision-making process. In 2016, a Governor-appointed task force work conducted a series of forums to identify statewide transportation priorities. In 2017, new state transportation funding bill is expected that would set state investment priorities for the next several years.

Nonetheless, federal and state funding is on the decline while the need for transportation investments in the Portland region continues to grow. The adopted 2014 RTP includes more than 1,250 projects, with a total estimated cost of \$36 billion, including maintenance and operations of the transportation system. That cost is significantly more than our region’s current spending on transportation investments, the majority of which is being spent on maintenance and operations.

In the past, a generous federal match, significant state funding, and more flexibility at the local level meant that the financing for previous projects was more straightforward. Conditions have changed and future investments will likely require voter approval. This requires the region to take a different approach to identifying investment priorities, communicating about them, and bringing them forward in a transparent manner focused on explaining to stakeholders and the public the benefits they can expect from a project as well as the overall 2018 RTP Investment Strategy.

#### **BUILDING THE 2018 RTP INVESTMENT STRATEGY**

##### **Call for Projects to build a draft investment strategy**

The changing landscape of transportation funding and policy highlights the need for the region to review its priorities, be strategic, and make refinements to near and long-term investments identified to address regional transportation challenges. To this end, the 2018 RTP Call for Projects provides an opportunity to develop an updated strategy for how the region will leverage local, regional, state, federal funds to advance local, regional and state priorities for the regional transportation system as part of an existing public process.

In effect, the region will work together to define a pipeline of regional transportation projects to fund and construct to address regional challenges, reflect public priorities and maximize progress toward the region’s shared vision and goals for the future transportation system.

Consistent with the adopted RTP work plan, **two levels of investment will be assumed for the 2018 RTP Investment Strategy:**

- The first level, the ***Constrained Priorities*** (also known as the Financially Constrained project list under federal law), will represent the highest priority transportation investments for the plan period (2018-2040). In order for projects to be eligible to receive federal and state funding, they must be on the *Constrained Priorities* project list.
- The second level, the ***Additional Strategic Priorities*** (also called Strategic Priorities), will represent additional priority investments that the region agrees to work together to fund and construct in the 2028-2040 time period.

#### Regional transportation challenges

- Aging infrastructure
- Climate change and air quality
- Congestion and unreliable travel times
- Crashes and fatalities
- Earthquake vulnerability
- Gaps in transit, biking and walking connections
- Housing and transportation affordability and displacement
- Social inequity and disparities
- Technological changes

The draft 2018 RTP Investment Strategy will be comprised of the Constrained Priorities project list and the Strategic Priorities project list.

In addition, consistent with previous Council direction, the upcoming “call for projects” will:

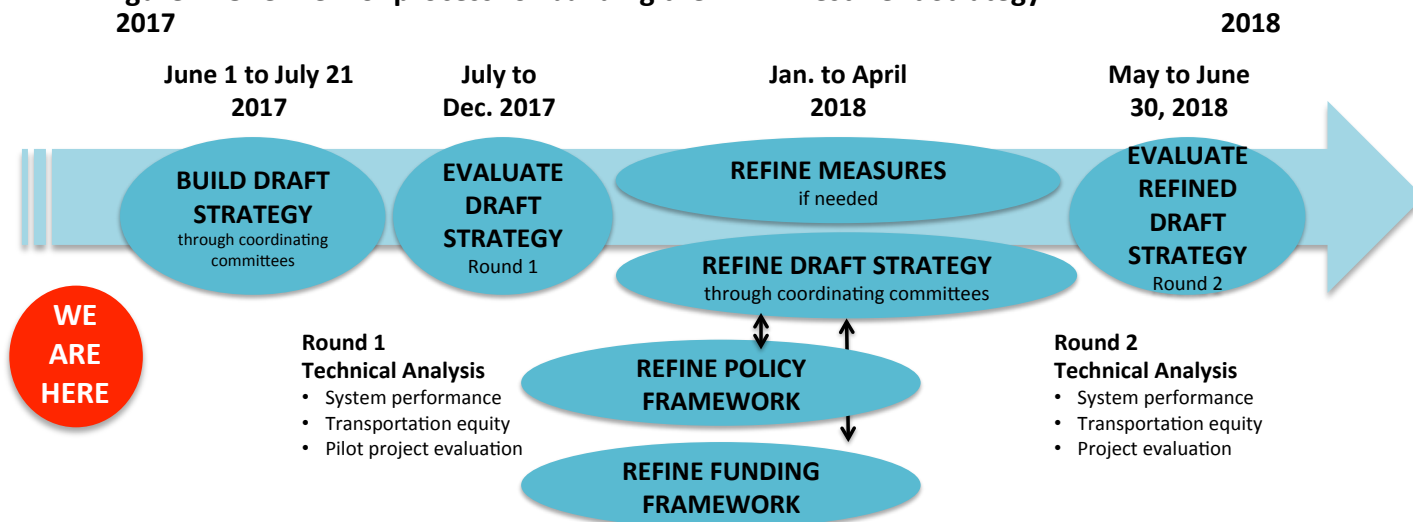
1. **Develop a pipeline of priority projects on the regional transportation system** that are needed to support the 2040 Growth Concept vision and adopted regional transportation goals, and will need some combination of local, regional, state, and/or federal funding to be constructed in the 2018-2040 time period.
2. Provide an opportunity for regional partners to identify priorities for the regional transportation system and refinements needed to **update current Constrained priorities (adopted as the 2014 RTP Financially Constrained System in 2014) for the 2018-2040 time period** to address to local, regional and state needs on the regional system as well as planning efforts completed since July 2014 and more recent JPACT and Council policy priorities.
3. Provide an opportunity for regional partners to **identify additional priorities to include in the more aspirational Strategic Priorities list for the 2028-2040 time period** that the region agrees to work together to fund and construct to address local, regional and state needs on the regional system.

#### PROCESS FOR BUILDING, EVALUATING AND REFINING THE RTP INVESTMENT STRATEGY

The RTP Call for Projects is planned for June 1 to July 21, 2017 and will formally kick-off building the RTP Investment Strategy. Local jurisdictions and county coordinating committees will play the strongest role in determining what projects are put forward for inclusion in the plan in collaboration with ODOT, Metro and TriMet. Agencies will use the 2014 RTP Policy Framework, revised vision statement, draft constrained revenue forecast and capital funding targets for the draft Constrained Priorities project list and draft Full RTP Investment Strategy) as a starting point to guide development of the draft investment strategy. After agencies determine and submit their priority projects staff will begin a technical analysis of proposed investments.

The process for building, evaluating and refining the investment strategy is illustrated in **Figure 2**.

**Figure 2. Overview of process for building the RTP Investment Strategy 2017**



### Evaluating and refining the draft RTP Investment Strategy

Evaluation of the RTP investment strategy is intended to provide policymakers with better information about the region's investment priorities and the implications of our near-term and long-term transportation investment choices. The evaluation process will test new and updated outcomes-based system performance and transportation equity measures and pilot project criteria to determine which measures and criteria can best evaluate whether the transportation system is successful in meeting regional goals and policies.

Two rounds of evaluation are planned, allowing for refinement of the draft system performance and transportation equity analysis measures and draft project evaluation criteria to address any shortcomings identified during the Round 1 evaluation. The Round 1 analysis will be conducted on a 2015 base year, 2040 No Build and three RTP investment strategy packages.

#### ROUND 1 ANALYSIS OVERVIEW

**Base Year (2015)** –Assumes the 2015 transportation network and 2015 socioeconomic (population, household, and employment) data.

**No Build (2040)** – Assumes the region continues to grow as forecasted by 2040<sup>1</sup>, but no improvements are made to the existing transportation system other than those that are currently under construction.

#### RTP Investment Strategy Packages (analysis year)

##### Package 1 – Draft 10-year Constrained RTP investment Strategy (2027)

*The region's highest priority projects given our current funding outlook (2018-2027 in Constrained project list).*

*This set of investments would be eligible to receive state and federal funding and serve as basis for demonstrating compliance with federal transportation planning and air quality requirements.*

##### Package 2 – Draft Full Constrained RTP Investment Strategy (2040)

*Package 1 + high priority projects given our current funding outlook (2028-2040 in Constrained project list).*

*This set of investments would be eligible to receive state and federal funding and serve as basis for demonstrating compliance with federal and state transportation planning and air quality requirements, including the state mandated greenhouse gas emissions reduction requirements.*

<sup>1</sup> A 2040 regional household and employment growth forecast was prepared by Metro and reviewed by local governments to serve as the basis for the 2018 Regional Transportation Plan. The forecast was adopted by the Metro Council by Ordinance No. 16-1371 in October 2016.

**Package 3 – Draft Full RTP Investment Strategy (2040)**

Full Constrained RTP + additional priority projects the region agrees to work together to pursue funding to plan and build (2028-2040 in Strategic project list).

Note: The socioeconomic (population, household, and employment) data is the same for the No Build and RTP Investment Strategy Packages 2 and 3, looking out to the year 2040. Investment Strategy Package 1 uses socioeconomic data for the year 2027 for the analysis.

Safety, transit and freight strategies continue to be developed on parallel tracks and will be informed by the analysis findings and recommendations. The system performance and transportation equity analysis and policy updates will also inform refinements to the draft RTP investment strategy packages.

In Fall 2017 and early 2018, Metro will convene RTP work groups, TPAC and MTAC and work with technical coordinating committees to review draft regional findings and recommend changes to the RTP evaluation framework and RTP investment packages for JPACT, MPAC and the Metro Council consideration in 2018. In January 2018, the draft investment strategy packages submitted by agencies will be shared with the general public for input along with findings from the analysis.

While the technical analysis is underway, staff will review the existing policy framework to identify and recommend potential policy refinements for consideration by JPACT, MPAC and the Metro Council. In addition, state, regional, and local funding discussions will continue in 2017 and early 2018. The discussions will lead to a final financially constrained revenue forecast and agreement on potential funding options for the region to pursue to advance regional priorities.

Findings and recommendations from the technical analysis (e.g., the system performance and transportation equity analysis), recommended policy changes, public input and updated funding information will be discussed by the Metro Council and regional policy advisory committees at a fourth Regional Leadership Forum. The forum is planned for February 2018 and will result in additional policy direction to staff on refining investment priorities (e.g., timing, constrained vs. strategic project lists, and overall size of the RTP Investment Strategy).

Based on the policy direction, the investment strategy packages will be updated by agencies for the final draft Regional Transportation Plan in April 2018. At that time, all capital projects greater than \$10 million in cost will apply the refined criteria, unless otherwise exempt. The final draft project list will undergo a second round of system performance and transportation equity analysis and a final round of agency and public input before JPACT and the Metro Council consider adoption in 2018.

As previously noted, both rounds of evaluation will inform development of the Regional Transit Strategy and updates to the Regional Transportation Safety Strategy and Regional Freight Strategy and recommended changes to the RTP policy framework. The second round of analysis will lead to recommendations on future regional corridor refinement planning and other studies and/or activities needed to address transportation challenges that cannot be resolved through the 2018 RTP update. More information on this will be provided for discussion at future meetings.

## ACTIVITIES SINCE THE MAY 2 BRIEFING ON RTP

Since the last update to Council on May 2, staff continued to implement the adopted work plan and public engagement plan approved by JPACT and Council in 2015. A summary of accomplishments and activities that are underway follows.

- MPAC and JPACT unanimously recommended approval of the updated vision statement and using the **2014 RTP Policy Framework, including vision statement, as a starting point for purposes of the call for projects** to guide building the draft RTP Investment Strategy. The RTP Policy Framework, including the recommended vision statement is provided in **Attachment 1**.

The vision statement reflects feedback received at the Regional Leadership Forum held on December 2, 2016 and subsequent revisions recommended by MPAC, JPACT, TPAC and MTAC. Also part of the RTP Policy Framework, the regional transportation system definition and maps of each network are provided for reference in **Attachment 2**.

Recognizing this RTP update has an increased focus on addressing safety, equity and climate change, the adopted work plan calls for the policy framework to be subject review and refinement to more fully address these and other issues of concern identified through the process (e.g., congestion, maintenance, emerging technologies and funding). TPAC recommended staff review and refine the RTP policy chapter, including:

- Review of RTP goals and objectives, particularly goals related to safety, equity, climate change, accountability, congestion, maintenance, emerging technologies and funding
- Review of performance targets to meet federal and state requirements
- Review of modal policies and maps, particularly the throughways/arterials, transit, and freight networks

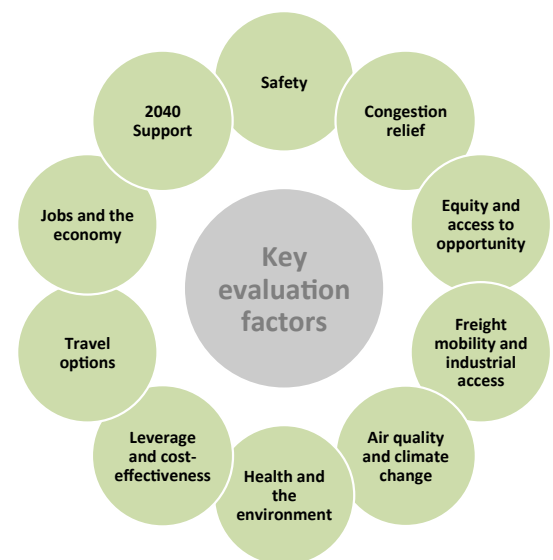
From Sept. to Dec. 2017, staff will review the existing policy framework to identify and recommend potential refinements to the 2014 RTP policy framework for consideration by JPACT, MPAC and the Metro Council. The regional bike and pedestrian network policies will not be subject to this review because they were extensively reviewed and updated as part of the 2014 Regional Active Transportation Plan.

- MPAC and JPACT unanimously recommended **testing the updated outcomes-based RTP Evaluation Framework, including the pilot project evaluation**, recognizing the evaluation framework will be subject to further refinement and adjustment in advance of the final evaluation to address any deficiencies found during the testing.

The updated system performance and transportation equity analysis measures recommended for further testing are summarized in **Attachment 3**. The pilot project evaluation process and draft criteria are summarized in **Attachment 4**. The framework includes updated and new system performance and transportation equity analysis measures that will be used to analyze the draft 2018 RTP Investment Strategy this summer. The measures will evaluate performance of the

### Recommended shared vision

*In 2040, everyone in the Portland metropolitan region will share in a prosperous, equitable economy and exceptional quality of life sustained by a safe, reliable, healthy, and affordable transportation system with travel options.*



**Updated RTP Evaluation Framework**  
advances how we measure outcomes to inform priorities



system as a whole for each investment strategy package.

The pilot project evaluation will focus on small number of larger-scale capital projects that are anticipated to seek federal, state or regional funding. Smaller-scale capital projects (costing less than \$10 million) and projects that are anticipated to be 100 percent locally funded would be excluded from the pilot. The project-level criteria, developed based on the adopted RTP goals and objectives, will be tested and refined during the first Call for Projects. For the pilot phase, the city of Portland, ODOT, TriMet, the Port of Portland and each county will be asked to apply the criteria to at least five of their respective project submittals. All other agencies will be asked to apply the criteria to at least one of their respective project submittals. During the second Call for Projects in Spring 2018, all capital projects over \$10 million will be evaluated, unless exempted as outlined in the criteria.

The RTP evaluation framework reflects extensive feedback provided by the RTP work groups, regional technical committees and interested partners, and will be subject to review and adjustment in 2017-18 in advance of the final evaluation to address any deficiencies found during the testing. The RTP Performance work group will conduct the initial review to identify potential adjustments to the measures and criteria for consideration by the regional technical advisory committees. Recommendations from the technical committees will be brought forward for consideration by JPACT, MPAC and the Metro Council in advance of the final evaluation.

- JPACT recommended **accepting the draft RTP financially constrained revenue forecast and doubling the draft constrained revenue forecast to set an overall funding level for the RTP Investment Strategy for purposes of the Call for Projects.** The draft forecast shown in **Attachment 5** reflects extensive consultation and coordination with local governments, ODOT, TriMet and SMART staff that is still underway. Development of the draft forecast found that a significant portion of the revenues available are spent on maintaining the existing transportation system and the purchasing power of revenues continues to be eroded because the fuel tax is not indexed to inflation and increasing fuel efficiency of vehicles.

While still being developed for purposes of the Call for Projects, the preliminary draft forecast reflects a realistic outlook of the amount of local, state and federal transportation funding that is expected to be available for capital projects from 2018 to 2040, reflecting a 13 percent reduction from the 2014 RTP constrained forecast and a 6 percent reduction from the full 2014 RTP.<sup>2</sup> An implication of the updated forecast is that the overall draft RTP Investment Strategy would have fewer locally funded capital projects on regional transportation system than the current 2014 RTP, for the reasons stated previously and because the majority of local revenues are being spent on maintaining the existing system.

Local revenues came from local TSPs and capital improvement programs in consultation with local partners. The federal and state revenues were identified through a statewide funding working group ODOT convened that included transit providers and MPOs.

JPACT's recommendation reflects that despite having less funding available, the region continues to significant transportation needs that if left unaddressed, threaten the region's economic prosperity and quality of life. JPACT's recommendation acknowledges that the draft forecast is preliminary for the Call for Projects and will need to be updated in 2018 to reflect local, regional, federal and/or state funding discussions or actions that occur before the RTP is finalized for adoption. Right now, regional discussions are focused on the anticipated state transportation package and advancing the three bottlenecks, the Southwest Corridor, the Division Transit Project and some to be determined active transportation projects.

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<sup>2</sup> These revenue comparisons do not include the funding assumptions adopted in the 2014 RTP for I-5 Bridge Replacement.



Additional regional discussions are anticipated to identify what the region would like to do locally and regionally to build a path to future funding opportunities to fund and build the investment strategy that is recommended in the final 2018 RTP. The draft forecast will inform these discussions. The outcome of the discussions and state legislative package will inform refinements to the RTP Funding Framework in 2018, including the overall size of the RTP Investment Strategy.

- Staff continued **development of the Regional Transit Strategy and updates to the regional safety and freight plans**. An update on the Regional Transportation Safety Strategy was presented at the Metro Council, MPAC and JPACT – resulting in all three policy bodies supporting a Vision Zero safety goal for the 2018 RTP and updated Regional Transportation Safety Strategy. In addition, at the Metro Council work sessions on the safety strategy and transit strategy, the Council expressed a desire for an emphasis on equity, safety and climate change as the process moves forward to update the region’s investment priorities and related modal and topical strategies.
- Staff continued preparing **materials to support the 2018 RTP Call for Projects** that is planned from June 1 to July 21, 2017. The materials will include: the RTP Policy Framework, the RTP Evaluation Framework, jurisdictional capital funding targets for the Constrained Priorities and Strategic Priorities<sup>3</sup>, and instructions for how agencies coordinate and submit updates to existing RTP projects and programs to address local, regional and state transportation needs on the regional transportation system. Examples of the types of investments that will address regional transportation challenges are summarized in **Attachment 6**. **Attachment 7** provides more details on the coordination, evaluation and refinement process. A web page and on-line project database will support jurisdictions as they update their investment priorities at **[www.oregonmetro.gov/2018projects](http://www.oregonmetro.gov/2018projects)**. *Note: the web page is under development.*
- Staff completed a summary report of the responses received during an **online comment opportunity for the 2018 RTP** update from March 3 through 28, 2017. A summary was provided to Council in April. The full report is available on the project website at [www.oregonmetro.gov/rtp](http://www.oregonmetro.gov/rtp). The survey had two questions asking the public to weigh in on near-term investment priorities and level of support for increasing transportation funding to meet our needs. More than 2,600 people responded. The responses reinforce what we’ve heard in past engagement activities, including the regional leadership forums.

The public and community and business leaders want the region to prioritize three things:

- Keeping our existing system in good repair
- Improving safety for all users
- Implementing a mix of investments that together keep people and communities connected and commerce moving in ways that provide a good return on investment. This means multi-modal projects that address growing congestion, safeguard our environment, keep our air clean, reduce greenhouse gas emissions, and improve access to our ports, industrial areas, job centers and other opportunities.

## NEXT STEPS

Pending Council direction to staff on recommendations from JPACT and MPAC, staff will issue a “call for projects” to update the region’s transportation near- and long-term investment priorities to support regional goals for safety, congestion relief, affordability, community livability, the economy, equity, and the environment on June 1, 2017. Project submittals will be due to Metro on July 21, 2017.

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<sup>3</sup> The funding targets will reflect the draft financially constrained forecast and the overall RTP Investment Strategy funding level recommended by JPACT and the Council.

## QUESTIONS FOR COUNCIL CONSIDERATION

1. Does Council support staff moving forward with the Call for Projects and building the draft RTP Investment Strategy as recommended by MPAC and JPACT?

## PACKET MATERIALS

- Would legislation be required for Council action ☐ Yes ☒ No
- What other materials are you presenting today?

**Attachment 1.** 2014 RTP Policy Framework, including updated 2018 RTP vision statement (5/3/17)

**Attachment 2.** Regional Transportation System Definition and Network Maps (*excerpt from 2014 RTP, adopted July 2014*)

**Attachment 3.** Draft system performance and transportation equity analysis measures recommended for testing (4/10/17)

**Attachment 4.** 2018 RTP Project Evaluation Pilot (5/18/17)

**Attachment 5.** Draft 2018 RTP Financially Constrained Capital Revenue Forecast (5/10/17)

**Attachment 6.** Investments for addressing our regional transportation challenges (5/9/17)

**Attachment 7.** Summary of Coordination, Evaluation and Refinement Activities | June 1, 2017 to June 30, 2018 (5/10/17)

**Attachment 8.** Schedule and Timeline for Building 2018 RTP Investment Strategy (4/10/17)

**Attachment 9.** RTP Timeline (5/9/17)