



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: February 6, 2012

FR: Lisa Klein and Dave Vautin

RE: Guidance for Applying Project Performance Assessment to the Investment Strategy

This memorandum proposes guidelines for applying the results of the Project Performance Assessment to help inform the selection of projects for inclusion in the investment strategy in the preferred Sustainable Communities Strategy (SCS). Staff is in the process of reviewing these guidelines with MTC's Policy Advisory Council and members of the Partnership. We will summarize their comments and ask the MTC Planning Committee/ABAG Administrative Committee to approve the guidelines at their joint meeting on February 17.

Background

All non-committed projects, as defined by the Commission in its Committed Funds and Projects Policy for Plan Bay Area (Resolution No. 4006) adopted in April 2011, are subject to the performance assessment. Our intent is to assess the degree to which potential transportation projects and programs: (1) advance the ten performance targets adopted by MTC and ABAG in January 2011 (Resolution No. 3987) and (2) are cost-effective. The performance assessment allows comparison of projects on a consistent qualitative and quantitative basis to the extent possible and practical.

Staff released draft performance assessment results at the November 4, 2011 Planning Committee meeting. In January of this year, staff released revised results, which reflect updated assessment results for a number of projects in response to comments received from Commissioners, project sponsors, CMAs and other stakeholders. The staff presentation on February 6 will include a summary of the major revisions. In the interim, the revised results are posted on the Plan Bay Area web site at http://www.onebayarea.org/plan_bay_area/transportation.htm.

Proposed Guidelines for Applying Results

In March/April 2012, MTC and ABAG staff will recommend a preferred SCS that will include a preferred land use and transportation investment strategy. The Commission will use its policy discretion along with the performance assessment results to decide which projects and programs to include in the investment strategy. To this end, MTC staff proposes the following guidelines:

1. The analysis results should be used to identify outliers at both ends of the spectrum – the highest and lowest performing projects, as shown in Attachment 1 and described below.
2. The highest performing projects should be included in the preferred investment strategy subject to analysis of financial feasibility. The highest performing projects include those with:
 - High benefit-cost ratio (≥ 10) and at least a moderate target score (≥ 2); or
 - High target score (≥ 6) and at least a moderate benefit-cost ratio (≥ 5)

3. The lowest performing projects should be included only if the sponsor or CMA can make a compelling case. The lowest performing projects include those with:
 - Low benefit-cost ratio (< 1), regardless of target score; or
 - Low target score (< -1), regardless of benefit-cost ratio
4. A county congestion management agency (CMA) and/or project sponsor must **make a compelling case in writing by February 29, 2012** and may be asked to present the case at the March 9 Planning Committee meeting.

A case may be made to include the project in the preferred SCS’s transportation investment plan if the project falls under one of the categories listed below. The first category considers projects with benefits not fully captured in the regional travel forecast model. The second category considers projects that address federal requirements.

Category 1: Benefits not Captured by the Travel Model	Category 2: Federal Requirements
a) interregional or recreational corridor b) provides access to international airports c) project benefits accrue from reductions in weaving, transit vehicle crowding or other travel behaviors not well represented in the travel model	a) cost-effective means of reducing CO ₂ , PM, or ozone precursor emission (on cost per ton basis) b) provides transportation mobility for communities of concern

Next Steps

Based on direction from the MTC Planning Committee/ABAG Administrative Committee at their joint meeting in February, MTC staff will notify CMAs and sponsors of these guidelines. MTC staff will continue to work with CMAs and transit operators to fund the highest performing projects in the draft preferred investment strategy. Key, near-term milestones for Plan Bay Area include:

February 2012	<ul style="list-style-type: none"> ▪ Notify CMAs and project sponsors of the guidelines for applying the project performance assessment results ▪ CMAs/sponsors submit compelling cases in writing by February 29
March / April 2012	<ul style="list-style-type: none"> ▪ CMAs/sponsors present their cases at the March 9 joint MTC Planning Committee/ABAG Administrative Committee meeting ▪ Release preliminary preferred scenario for Plan Bay Area (includes investment strategy) ▪ <i>Release revised Draft Cycle 2 One Bay Area Grant proposal</i>
May 2012	<ul style="list-style-type: none"> ▪ <i>Commission Approves Cycle 2 One Bay Area Grant</i> ▪ MTC / ABAG approves preferred scenario for Plan Bay Area

Attachments:

1. High and Low Performing Projects