BayArea Plan

Proposed Guidance for Applying Project Performance Assessment to the Investment Strategy

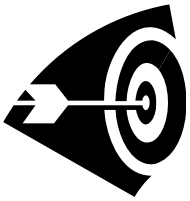
Partnership Technical Advisory Committee
February 6, 2012

Project Performance Assessment

- Evaluate all non-committed projects
- Identify projects that stand out with respect to levels of target support and cost-effectiveness
- Establish a level playing field for project comparisons
- Build on approach from Transportation 2035 Plan

November 2011 – Draft Results
January 2012 – Revised Results

Two Types of Assessment



TARGETS ASSESSMENT

Determine impact on targets adopted by MTC and ABAG

BENEFIT-COST (B/C) ASSESSMENT

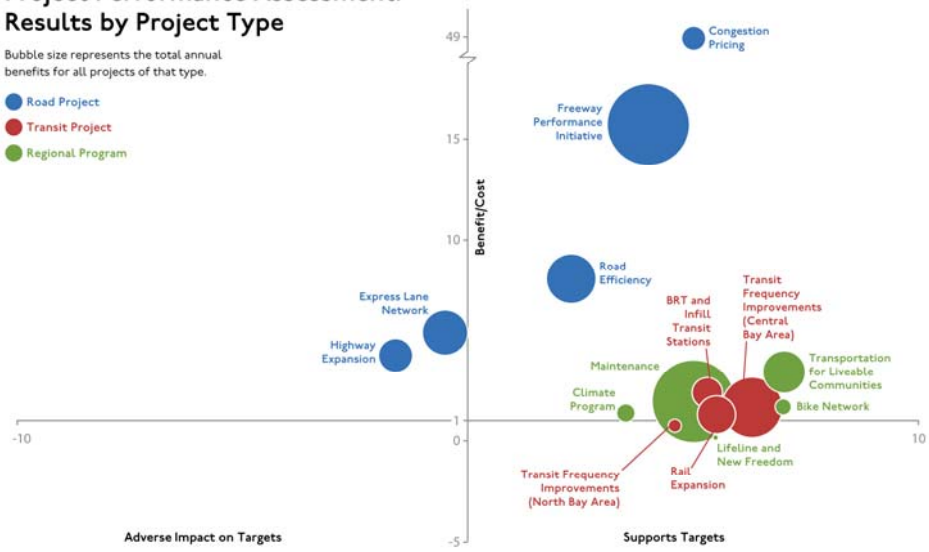
Compare benefits & costs

Revisions to Project Performance Assessment

- **Modest effect on outlier projects (high/low performers) overall**
- **Changes**
  - **B/C RATIOS:** revised with updated costs or corrected estimate of benefits (9 projects)
  - **TARGETS SCORES:** revised based on better project definition or consistency with similar projects (12 projects)
  - **ADEQUATE HOUSING TARGET:** revised to address support for total housing growth potential and for affordable housing
  - **LOW-INCOME EXPENDITURES ON HOUSING & TRANSPORTATION TARGET:** revised to reflect the number of low-income transit riders served

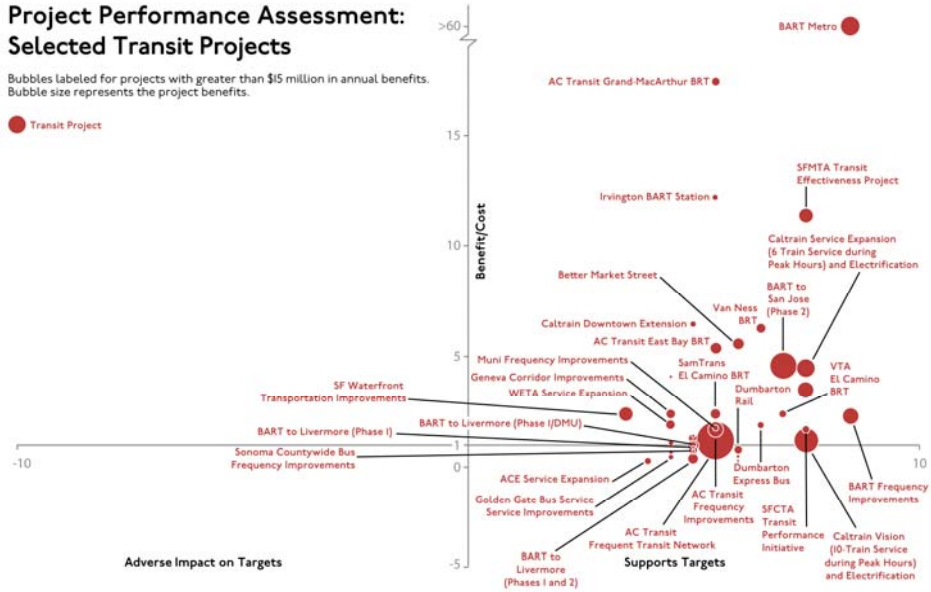
Project Performance Assessment: Results by Project Type

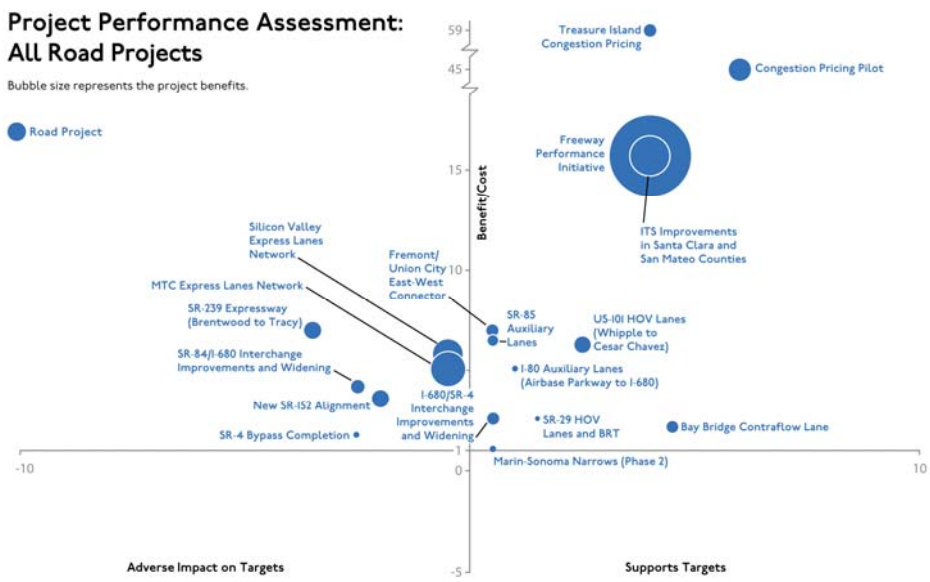
Bubble size represents the total annual benefits for all projects of that type.



Project Performance Assessment: Selected Transit Projects

Bubbles labeled for projects with greater than $15 million in annual benefits. Bubble size represents the project benefits.





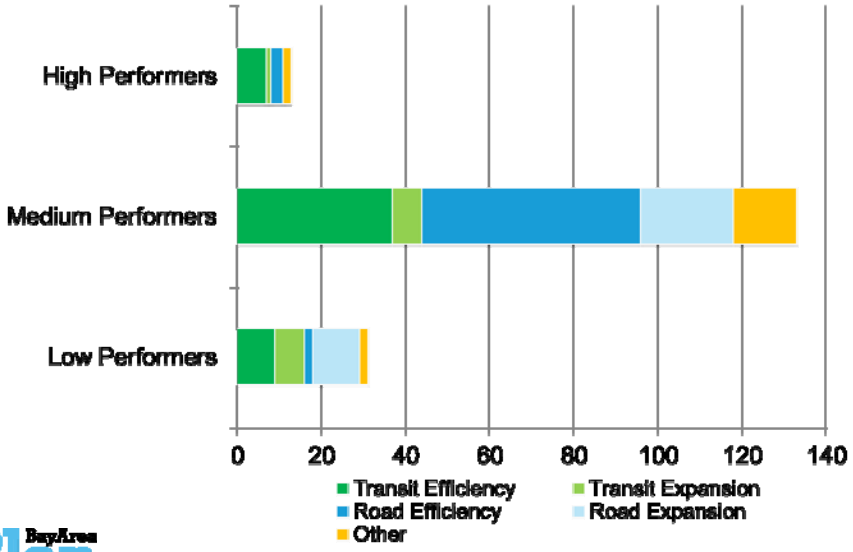
Proposed Guidelines for Applying the Analysis Results

1. **Project performance assessment results should be used to identify the highest and lowest performing projects**

2. **The <u>highest</u> performing projects should be included in the preferred SCS investment strategy, subject to financial feasibility.**
   - High B/C (≥10) and moderate target score (≥2); or
   - High target score (≥6) and moderate B/C (≥5)

3. **The <u>lowest</u> performing projects should be considered if the sponsor or CMA can make a compelling case.**
   - Low B/C (<1), regardless of target score; or
   - Low target score (<-1), regardless of B/C

Project Performance by Type



Proposed Guidelines, cont.

4. **The compelling case may be made if the project falls into one of two categories:**

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 emissions b) improves transportation mobility/reduces air toxics and PM emissions in communities of concern

CMAs/sponsors should <u>submit compelling cases in writing by February 29, 2012</u> and may be asked to present the case at the March 9 Planning Committee meeting.

Timeline

February 2012	**MTC Planning Committee / ABAG Administrative Committee approval of guidelines for applying project assessment results**
	CMAs/sponsors submit compelling cases by February 29
March/April 2012	**Present compelling cases on March 9**
	MTC/ABAG release preliminary preferred scenario for Plan Bay Area
May 2012	**MTC/ABAG approve preferred scenario for Plan Bay Area**

Plan BayArea