



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Planning Committee

DATE: July 13, 2007

FR: Deputy Executive Director, Policy

W. I.

RE: Transportation 2035 Vision & Performance Targets

At your June meeting, staff described a performance-based approach for developing the Transportation 2035 vision. Staff has reviewed this approach with MTC's advisors, partner agencies and the public during the past few months. Staff now seeks the Committee's approval to proceed with our visioning and scenario performance assessment effort.

Fork in the Road

The Bay Area transportation network is a fortune inherited from previous generations. A shared vision of the region's future ought to center not just on what's past and present but what's possible, too. Before us now is a deciding moment when we must choose how our region grows and how our transportation network supports this growth. Our fundamental challenges will in many ways continue to center around how to keep our roads and transit systems in good repair, how to squeeze more efficiency out of our existing transportation system, and how to build the most cost-effective new infrastructure where needed. But on the horizon are new challenges to meet and new questions that must be answered:

- How might the region demonstrate compliance with existing and proposed state mandates;
- How should we provide infrastructure to support communities primed for higher housing growth;
- How should we reduce greenhouse gas emissions from transportation sources;
- How should we harness the marketplace and technology to deal with congestion, and;
- How do we make policy and investment choices that yield equitable benefits to all residents?

Scenario Performance Assessment

MTC staff proposes to explore these questions through a scenario performance assessment (see Attachment A). We will begin by defining ambitious performance targets for each of the three E's – economy, environment, and equity – taking our lead from state plans and legislation where possible. These targets are not the sole objectives we seek to achieve in a comprehensive long range plan. They do, however, provide guideposts that allow us to test—through models and other analytical tools—what it might take to shape and achieve a different transportation environment 25 years in the future. Our next step will be to assess what it takes to reach those targets, first through analysis of scenarios for expanding and enhancing the transportation system, and second, through sensitivity tests of land use and pricing policies. In the end, the effort will help us understand whether the targets are achievable; what it would take to reach them; and what new authority or new partnerships may be required.

Staff's recommended approach is generally consistent with that presented to the Committee in June. Attachment B summarizes comments collected through discussions with MTC advisory committees, Partnership Board, Joint Policy Committee and the public, through "early dialogue" workshops; some of the comments are reflected in refinements to the scenario performance assessment, and some will be

addressed through other avenues during the Transportation 2035 update, as summarized in Attachment B.

Staff recommends the following performance targets for the scenario assessment:

- **Economy: Congestion** – In poll after poll, traffic congestion is the top concern of Bay Area residents. The Bay Area has the second worst congestion in the nation and commuters spend an average of 72 hours a year in traffic. Yet past plans show little progress in taming congestion.
Target: Reduce person hours of delay by 20 percent below today's levels by 2035
Source: Governor's Strategic Growth Initiative
- **Environment: Carbon Dioxide (CO₂) and Particulate Matter (PM) Emissions** – The transportation sector contributes 40 to 50 percent of greenhouse gas emissions in the Bay Area and will be critical for achieving reductions required by state law. Particulate matter emissions are demonstrated to pose a serious health risk. In addition, the Bay Area will likely be designated a federal non-attainment area for PM-2.5 in the coming months.
*Target: Reduce CO₂ emissions by 40 percent below 1990 levels by 2035**
*Reduce PM-2.5 emissions by 10 percent below today's levels by 2035**
Source: California Global Warming Solutions Act of 2006 and Governor's Strategic Growth Initiative (CO₂ only)
- **Environment: Vehicle Miles Traveled (VMT)** – There is a strong correlation between VMT and harmful vehicle emissions, including carbon dioxide and particulate matter.
Target: Reduce VMT per capita by 10 percent compared to today by 2035
Source: SB 375 (Steinberg), prior to amendment
- **Equity: Access, Public Health, and Cost** – Recent discussions highlight equity as a crosscutting concern underlying all the RTP goals. Three areas arise as especially pressing: access to opportunities, exposure to transportation-related health risks, and transportation cost. A number of stakeholders expressed the need to consider equity for youth and elderly populations as well as minority and low-income populations, which have been the focus of MTC's past equity analyses. Because we cannot take the lead from existing state plans and policies, MTC staff will continue to work with partners and the public to define appropriate targets reflecting these considerations.

To understand how transportation system expansion and enhancements contribute toward the targets, staff proposes starting with three modally based investment scenarios. Because this is a visioning effort, the scenarios should be distinct enough to reveal differences in performance and should not be constrained to expected revenues. The recommended scenarios are:

- **Freeway Performance:** operational strategies such as ramp metering and limited capacity expansion such as HOV lanes as defined through MTC's Freeway Performance Initiative.
- **High-Occupancy/Toll (HOT) Lanes/Express & Local Bus Service:** based on the Regional HOT Lanes Study with complementary express and local bus enhancements.
- **Rail & Ferry:** based on the Regional Measure 2-mandated Regional Rail Plan and the Water Transit Authority's Ferry Implementation and Operations Plan.

Past analyses suggest infrastructure expansion alone will not be enough to meet the ambitious performance targets. Therefore, staff will conduct land use and pricing sensitivity analyses on the investment scenarios to see how demand-based strategies might help us reach the targets. The land use strategy, developed in conjunction with ABAG, will feature focused residential growth beyond

* Staff will continue to work with Air District staff to determine the appropriate measurements and numeric targets.

ABAG's adopted Projections 2007. The pricing sensitivity test could include congestion pricing, higher gas prices, parking charges or transit fare discounts.

The results of the scenario performance assessment would be presented at the joint ABAG/MTC Fall Forum on FOCUS and Transportation 2035 Vision, which will take place on October 26, 2007 at the Oakland Marriott. Based on the comments received from the Fall Forum, staff intends to return to the Committee in November to outline the next steps in the visioning effort. One possible next step could be to conduct further analysis of a hybrid investment scenario. But this will depend on how far we get in answering the questions: Are the targets are achievable? What does it take to reach them? What new authority or new partnerships may be required? Our ultimate goal is to define a draft Transportation 2035 Vision in December 2007, and begin the financial discussions in early 2008.

Next Steps/Recommendation

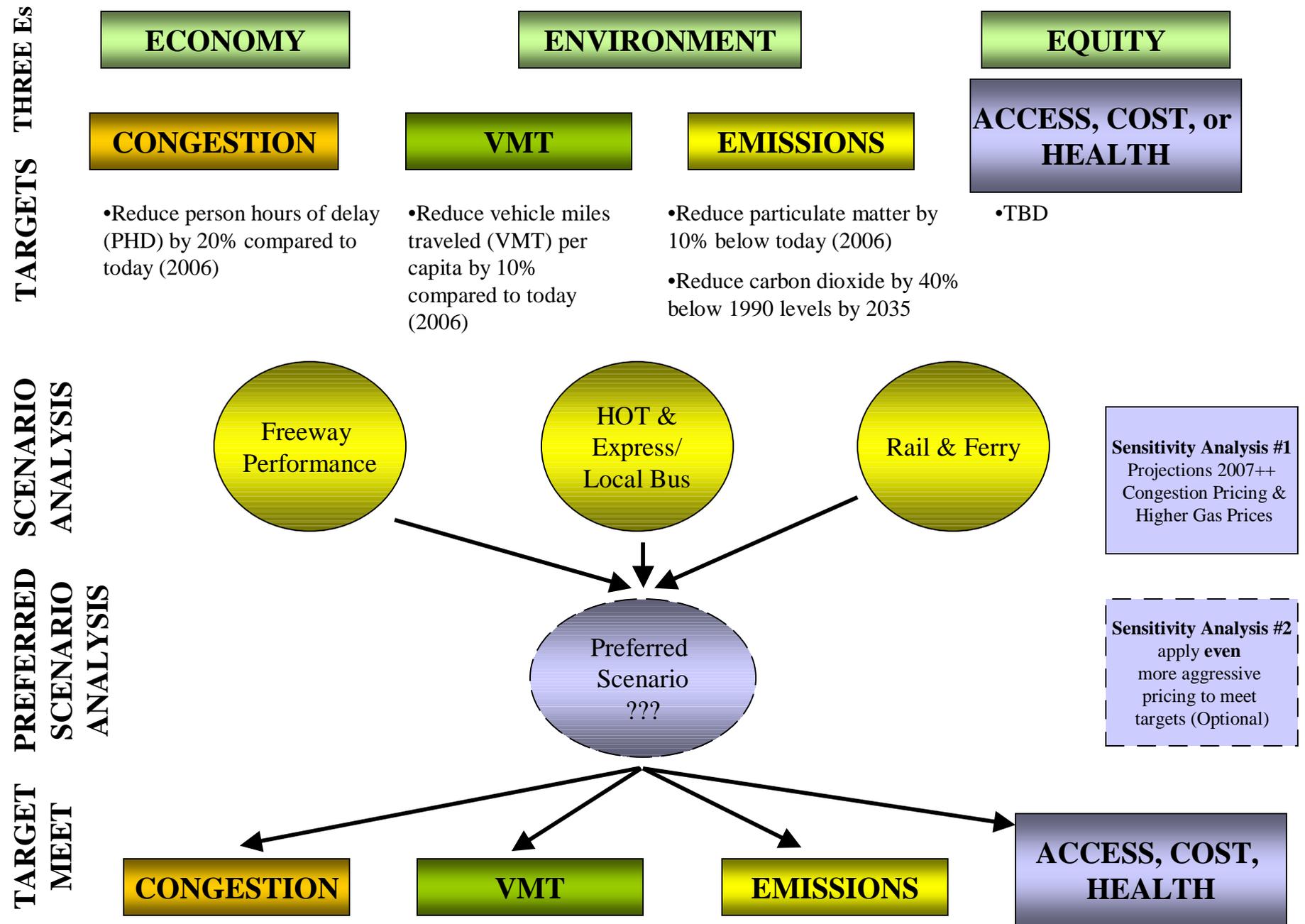
At this time, staff seeks the Committee's approval to proceed with the visioning and scenario performance assessment. We intend to report back to this Committee on our progress with this assessment over the next few months, leading to the unveiling of the results at the October 26, 2007 ABAG/MTC Fall Forum.

Therese W. McMillan

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Attachment A: Transportation 2035 Plan Scenario Performance Assessment for Strategic Expansion



Attachment B

Summary of Comments on Scenario Performance Assessment

General

- Strong support in many quarters for the overall approach, which highlights key performance targets and allows us to step back initially from the limitations of financial constraint.
- The scenario assessment fails to address some RTP goals, particularly maintenance and safety.
Response: The scenario assessment is intended to highlight performance improvements through strategic expansion and demand-side policies, at least in part, because the framework of financial constraint has until now limited consideration of approaches with measurable performance improvements. Maintenance and safety remain critical considerations that will come into play in developing the financially constrained plan. The Partnership is already in the process of updating full system maintenance and rehabilitation needs to inform this discussion.

Targets

- The targets are too ambitious and may not be achievable.
Response: Most of the targets are from state plans or legislation. California has taken a leadership role with respect to setting standards for reductions in VMT and congestion. Yet the practical impacts of proposed standards are largely untested. This effort is intended to assess whether the targets are achievable, what it would take to get there, and whether additional legislative authority or partnerships are required.
- Equity. Affordability and health impacts are important considerations. Youth and the elderly are transit dependent populations that may not overlap with low-income and minority populations. Equity measures should go beyond communities of concern, as many low-income households are not located in communities of concern.
Response: Staff is assuming various equity targets addressing access, affordability, and health. Where feasible, staff will apply these measures with respect to age as well as for low-income and minority populations. It is possible to compute some measures by income level instead of by communities of concern; however, this approach has some technical limitations. In light of all these considerations, staff will continue to work with the Partnership and MTC advisory committees to identify appropriate measures and targets
- Add transit mode share or ridership targets under Economy
Response: Staff recommends focusing on targets that, for the most part, inform existing or proposed state policies or legislation. For ease of understanding, staff recommends staying with one target under economy. Changes and transit ridership are implicit in progress toward the VMT target and will be available as supporting information.

Investment Scenarios and Sensitivity Analyses

- Alternative scenarios proposed: multi-modal scenarios; scenario designed to maximize VMT and emissions reduction; transit optimized scenario featuring rail and bus; HOT lanes and express bus should be grouped with freeway operations; local transit should be its own scenario.
Response: For the initial work, the scenarios need to be different enough to highlight key investment choices. Due to the nature of the regional travel model, staff believes it makes the most sense to handle local and express bus service enhancements together; this is a good

compliment to the HOT network as a key objective is to complete the network to serve express buses. Once we see the results, we may wish to analyze one or more hybrids, which could be designed to optimize transit or a particular target. However, if the investment scenarios fail to make a marked difference, we may wish to spend more time on demand side policies.

- Important to address impact of pricing on low-income travelers.

Response: Staff proposes to address affordability under the Equity target. Measures reflecting full private and public cost are under consideration.

- Land use and pricing analyses should be more than sensitivity analyses. Pricing especially should be the subject of a full-blown study.

Response: MTC and Caltrans are currently undertaking the Regional HOT Lanes Network Study that gives serious consideration to an approach to pricing based on choice. The political climate typically has been resistant to more widespread pricing approaches. This may be changing with new mandates such as those embodied in AB 32. The proposed sensitivity tests provide a way to test the waters. In addition, San Francisco is proceeding now with the Mobility, Access and Pricing study, which will consider a broader congestion pricing approach beyond traditional road pricing mechanisms. If results of these efforts are promising, MTC could undertake a more detailed study of regional pricing as a follow-on to Transportation 2035.