



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Partnership TAC

DATE: December 17, 2007

FR: Lisa Klein

W. I.

RE: Transportation 2035 Project Performance Assessment

At its November 28 workshop, the Commission clearly indicated an interest in carrying forward with a performance-based approach in which quantifiable targets are used to inform RTP policy and investment decisions.

MTC staff is outlining an approach, consistent with the Commission’s recent guidance, to evaluate projects for inclusion in the plan. MTC staff expects the evaluation criteria will be closely tied to quantitative targets the Planning Committee is expected to approve in early January. These may include, but will not necessarily be limited to, the Three E Vision performance targets you’ve all seen before, plus a couple of potential new targets:

Three E’s	Vision Performance Targets	Potential New Targets – TBD
Economy	Reduce delay	Improve safety Maintain existing assets Improve freight movement
Environment	Reduce VMT Reduce particulate matter emissions Reduce CO2 emissions	
Equity	Improve affordability of transportation and housing for low-income households	

At the December 17 PTAC meeting, MTC staff will review a proposed approach to evaluate projects for inclusion in the Transportation 2035 Plan (See Attachment 1). We expect to refine and flesh out the evaluation approach through discussions with the Partnership and other stakeholders prior to seeking approval by the MTC Planning Committee in early February. Key milestones are listed on the following page.

At the November 30 Partnership Board meeting, the Partnership decided to convene an ad hoc group of planning directors and senior planning staff from the CMAs and transit operators, along with Caltrans and ABAG, to work with MTC staff on this effort. Please be ready to identify a staff member from your agency at the December 17 PTAC meeting. The first meeting has been scheduled for the afternoon of January 7.

Key Milestones – Project Performance Assessment

1. Define project evaluation criteria (December – Early February)

Preliminary approach to PTAC	December 17, 2007
Refine with partnership ad hoc group	January – early February
MTC Planning Committee approves Transportation 2035 performance targets	January 11, 2008
Review with MTC Advisory Committees via joint workshop	January 17
Refined proposal to PTAC	February 4
Planning Committee approval	February 8

2. Call for projects (mid-January – mid-February)
See related item
3. Evaluate projects (mid- February – early April)
4. Discussions to develop project list for technical & environmental analysis (early April – June)

Attachment 1: Proposed Transportation 2035 Project Evaluation Criteria & Methodology

A. Objectives

1. Identify the most cost-effective projects with respect to the Transportation 2035 targets.
2. To the extent possible, compare projects and programs directly and quantitatively.
3. Use results to recommend the highest-performing projects for inclusion in the financially constrained element and inform trade-offs
4. Project selection ultimately is a policy decision made by the Commission, following coordination with the Partnership.

B. Proposed Performance Criteria

Three E's	Target [1]	Proposed Performance Measure
Economy	Reduce delay	Benefit-cost [2]
	Improve safety – <i>potential new target</i>	Benefit-cost [2]
	Maintain existing assets – <i>potential new target</i>	Alternative benefit-cost [3]
	Enhance goods movement – <i>potential new target</i>	Benefit-cost [2]
Environment	Reduce VMT per capita	Cost per VMT/capita reduced
	Reduce particulate matter emissions	Benefit-cost [2]
	Reduce CO2 emissions	Benefit-cost [2]
Equity	Improve affordability	TBD [4]

Notes:

- [1] Targets subject to approval by the MTC Planning Committee (anticipated January 2008).
- [2] Single benefit-cost measure to capture monetized value of delay, safety and emissions targets
- [3] MTC reviewing options for a separate benefit-cost measure for maintenance.
- [4] Addressing affordability is a significant challenge and much more a function of how the system is priced than impacts of specific projects. One approach is to assess how RTP policies and programs (e.g., Lifeline, TLC/HIP) support transportation and housing affordability. Possible quantitative benefit-cost methodologies are being explored. The larger, program-level equity issues will be evaluated in the upcoming RTP Equity Analysis.

C. Evaluation Process & Methodology

1. Select project and programs from submittals
 - Committed projects not subject to evaluation
 - Projects evaluated in FPI would be brought into the evaluation
 - Include up to 100 other projects and programs based on functional and cost criteria, e.g.
 - Cost over \$50 to \$75 M in current dollars
 - Specific (not programmatic) infrastructure projects (e.g., new/enhanced transit; freeway-to-freeway interchanges; freeway widenings)
 - Operational projects or programmatic categories, as possible (e.g., bike and pedestrian programs, climate change, TLC/HIP, freeway operations)
2. Use a range of methodologies and tools; remember objective is to identify outliers
 - Consistent where possible; unit values for delay reductions, etc. will be consistent.
 - Build on existing FPI analysis for delay; supplement for other measures.
 - Use regional travel model for benefits of transit and other freeway projects
 - Options for operations projects and programmatic categories under review.
3. Results in early April; identify high performers to set stage for negotiations
 - Inform trade-offs using quantitative performance data
 - Highest performers remain; others subject to policy-decisions (e.g., weigh targets relative to each other; Introduce other considerations; Introduce projects that were not evaluated)