

TAB REGIONAL SOLICITATION

POLICY WORK GROUP RECOMMENDATIONS

Recommendations for Roadways Applications

1. Spot Mobility and Safety Application Category

- Need/Problem: Within the existing Roadway application categories, the lower cost-high benefit projects, often intersection improvement projects, did not score well against larger roadway expansion and interchange projects. The lower cost-high benefit projects are priority investments consistent with the 2040 Transportation Policy Plan Highway Investment Direction.
- Recommendation: Add a new roadways application category, Spot Mobility and Safety, focused on smaller intersection improvement type projects. This category will have a minimum federal award of \$1M and a maximum federal award of \$3.5M.
- Benefit/Impact: This change will allow for funding a number of lower cost-high benefit roadway intersection projects and, due to the lower maximum, may result in a higher number of roadway projects overall being funded, potentially allowing for greater geographic balance.

2. Pedestrian Safety Improvements Measure

- Need/Problem: Given increasing pedestrian related crashes and fatalities, both policymakers and technical experts recognized the need to think purposefully about pedestrian safety within roadway projects.
- Recommendation: Add a new Pedestrian Safety qualitative measure within three of the Roadway application categories whereby applicants will describe how the project improves and impacts pedestrian safety.
- Benefit/Impact: Provides a larger emphasis on pedestrian safety within the Safety criteria measures.

3. Roadway Reconstruction/Modernization and Bridges Application Categories Relationship

- Need/Problem: After the Technical staff recommended creation of a Spot Mobility and Safety application category, there was concern that there may be too many Roadway application categories over which to spread the available funding. Staff suggested there may be overlap in the purpose and emphasis between the Roadway Modernization/Reconstruction and Bridges application categories as both tend to be about improving and reconstructing an existing roadway. However, after reviewing the scoring measures technical staff recommended that the projects were not easily compared.
- Recommendation: Keep separate application categories for Roadway Modernization/Reconstruction and Bridges as the technical experts provided feedback that roadways and bridges are two separate project types that cannot be easily compared.
- Benefit/Impact: With the addition of a Spot Mobility and Safety application category there will now be five Roadway application categories over which to spread the available roadway funding. This results in making trade-offs on where to draw the funding lines across the Roadway application categories.

4. Bridge Application Category Funding Set-a-side

- Need/Problem: The \$10 M set-a-side for the Bridge category limited flexibility in selecting projects across the Roadway application categories as the project funding options did not always neatly adhere with the \$10 M requirement, i.e. the first two high-scoring projects might total under \$10 M, thereby requiring selection of an additional project that would put the total bridge funding well over \$10 M.
- Recommendation: Remove the \$10 M required set-a-side and treat the category similar to other application categories when developing funding options.
- Benefit/Impact: TAB will have more flexibility in their funding decisions depending on the number and quality of bridge projects submitted each cycle.

5. Traffic Management Technologies Application Category Maximum Award

- Need/Problem: Technical experts identified that the vast majority of projects submitted in this category in the past generally requested between \$1M and \$3.5M as compared to the current \$7M maximum. However, if one project did request \$7M and score well it could take the entire amount of funding typically available in this category.
- Recommendation: Reduce the funding maximum to \$3.5M.
- Benefit/Impact: Avoid the potential for one large project receiving all of the funds available in this category, likely fund more projects overall, and potentially contribute to geographic balance.

6. Strategic Capacity (Roadway Expansion) Application Category Maximum Award

- Need/Problem: Feedback received by MnDOT and other stakeholders noted that the \$7M was not an adequate contribution towards funding \$30M+ interchange projects. These projects are typically funded with Regional Solicitation, local and MnDOT funds. Due to its funding constraints MnDOT cannot contribute a funding share to more than 3-4 projects on the trunk highway system each Solicitation cycle.
- Recommendation: Increase the maximum funding award for Strategic Capacity (Expansion) projects from \$7M to \$10 M.
- Benefit/Impact: Increasing the maximum award to \$10M recognizes the larger cost of these project types and will reduce the risk of the projects being withdrawn due to a lack of available matching funds.

Recommendations for Bicycle and Pedestrian Applications

1. Multiuse Trails and Bicycle Facilities Application Category Maximum Award

- **Need/Problem:** Feedback received after the previous Solicitation indicated a desire to fund more projects than the 11 out of 40 submittals in this category. This category receives the largest number of applications and can contribute significantly to achieving geographic balance due to the number of projects selected.
- **Recommendation:** Lower the project maximum award from \$5.5 M to \$4 M.
- **Benefit/Impact:** Lowering the maximum has the potential to fund a higher number of submittals and potentially contribute to geographic balance. A technical analysis showed that a \$4M maximum would have funded two to three more projects each cycle based on the submittals from the past three Solicitations.
- **Technical Input:** *At the 8/5/19 TAB Policy Work Group meeting, the group requested technical input from TAC on whether in addition to lowering the maximum award if the maximum federal funding percentage should also be lowered from 80% to 70% of total project cost to fund more projects. At its 8/7/19 TAC meeting, TAC unanimously approved a motion to recommend that the federal maximum award percentage remain at 80%. Rationale provided at the meeting included the following:*
 - *It is important that all the application categories are treated consistently (i.e., there is not a strong policy basis for singling out this category for a lower federal contribution).*
 - *This application category has a wide variety of applicants, including many cities. It may be difficult for applicants to come up with the extra funds required by this change and deliver the project while going through the federal process.*

Recommendations for Housing Performance and Equity Criteria Scoring

1. Housing Performance Score

- **Need/Problem:** Under the current scoring, Housing Performance receives 70 points or 4.5% of the total points in every application category. The Equity measures (which includes three measures for outreach to, and the benefits and impacts of, a project on Equity populations) receives scores ranging from a low of 30 points (2.7%) in all of the Roadway application categories to a high of 120 points (11%) in the Transit Modernization category. Sensitivity analysis has shown the Equity measures impact the project ranking and selection, but much less so in the Roadway application categories. In addition, the Housing Performance Score, while valuable to indicate a community's commitment to providing affordable housing, is less directly project-related than are the Equity scoring measures.
- **Recommendation:** Shift 20 points across all application categories from the Housing Performance Score to the Equity measures score.
- **Benefit/Impact:** Shifting points from Housing Performance to Equity will allow the Equity measures to have a more direct impact on project selection, particularly in the Roadway application categories (see Proposed Equity and Housing Scoring chart).

2. Housing Performance Scoring More Direct Connection to Projects

- **Need/Problem:** Currently the Housing Performance Score is based entirely upon a community's Housing Performance Score calculated annually by the Metropolitan Council for each city and township in the metropolitan area. The score accounts for a community's overall performance in the area of providing affordable housing including development policies, recent development of affordable housing, existing housing stock, and maintenance of affordable housing. The score is used as a reward/incentive for communities but is not directly tied to the transportation project submitted for funding consideration.
- **Recommendation:** Add a new qualitative measure on Affordable Housing Access worth 10 points and reduce the community Housing Performance Score to 40 points. The new measure will ask applicants to describe how the project improves or impacts access to Affordable Housing within ¼ mile of the project.
- **Benefit/Impact:** Adding a new qualitative Affordable Housing Access measure is more directly related to the project application. In the next Solicitation, the measure can be used and tested and if successful, scored more heavily in the following Solicitation.

3. Equity Multiplier Replaced with Bonus Points for Equity Measures

- **Need/Problem:** The current scoring methodology multiplies each community's Equity measures score based upon a geographic multiplier whereby projects within Areas of Concentrated Poverty (ACP) with 50% minorities receive 100% of the points, areas with concentrated poverty receive 80% , areas with poverty above the regional average receive 60% of the points, down to 40% of the points for geographic areas that do not have poverty above the regional average. This multiplier is seen as a disincentive as communities that have small Equity populations could do an excellent job of outreach and identifying project benefits and impacts to the Equity populations, yet are only eligible to receive 40% of the total points.

- Recommendation: Replace the Equity multiplier with bonus points to reward any applicant that does an outstanding job on the Equity measures. Only projects that score at least 80% of the total available Equity points for the outreach and identifying benefits and impacts to Equity populations measures are eligible to receive the bonus points. Bonus points would be awarded as follows:
 - 25 points to projects within Area of Concentrated Poverty with 50% or more people of color
 - 20 points to projects within Area of Concentrated Poverty
 - 15 points to projects within census tracts with percent poverty or population of color above the regional average percent
 - 10 points for all other areas
- Benefit/Impact: Replacing the multiplier with bonus points allows the opportunity for all applicants to receive full scoring on the Equity measures, rewards projects that do an outstanding job of addressing Equity and also provides additional bonus points to those project areas that have higher levels and concentrations of Equity populations.

4. Applicant Learning and Sharing on Equity Issues and Measures

- Need/Problem: Scoring well on the Housing and Equity measures will require applicants to actively select projects that are designed to address transportation issues and problems experienced by Equity communities. This will require engaging with the Equity communities prior to, and early on in, the development of proposed projects to identify specific transportation problems, develop solutions to address the transportation problems and mitigate any negative impacts of the proposed project on the community. Project applicants lack knowledge and understanding on how this engagement can occur, what tools and questions can be used to seek input from communities and how to identify transportation solutions that address the Equity issues identified.
- Recommendation: Provide informational workshops/training sessions on the Equity measures and the new Affordable Housing Access scoring measure to allow applicants to learn about scoring and expectations for high quality responses.
- Benefit/Impact: The training sessions will allow project applicants to better learn how to engage with Equity communities, think more deeply about Equity and transportation issues, appropriate project solutions, and to share experiences, questions and learning with one another.

5. Convene a Regional Policy Group on Transportation and Equity

- Need/Problem: Various groups from the Council and TAB, to MnDOT and individual cities and counties, are discussing how transportation and issues of equity intersect and how projects can be developed and designed to address equity issues. Some of these efforts could be combined to learn from one another and not duplicate efforts.
- Recommendation: Form a regional work group to include a diverse group of policy makers to discuss and learn about transportation and equity, or alternatively TAB members could be invited to join in other regional equity related work.
- Benefit/Impact: Potentially provides a more centralized regional forum to discuss issues of Equity and transportation, and perhaps a broader range of issues.

Equity and Housing Performance Scoring

Application Category	3A: Housing			3B: Socio-Economic Equity			Total Possible Points
	HPS	Affordable Housing	Total	Community Engagement	Benefits / Impacts	Total	
Roadway Expansion	40	10	50 (4.5%)	9	21	50 (4.5%)	100
Roadway Reconst/Mod	40	10	50 (4.5%)	9	21	50 (4.5%)	100
Traffic Mgmt Technologies	40	10	50 (4.5%)	9	21	50 (4.5%)	100
Bridge	40	10	50 (4.5%)	9	21	50 (4.5%)	100
Transit Expansion	40	10	50 (4.5%)	39	91	150 (14%)	200
Transit Modernization	40	10	50 (4.5%)	31.5	73.5	100 (9%)	175
Travel Demand Management	40	10	50 (4.5%)	20	60	50 (4.5%)	150
Multiuse Trails / Bicycle	40	10	50 (4.5%)	15	35	70 (6.3%)	120
Pedestrian Facilities	40	10	50 (4.5%)	15	35	70 (6.3%)	120
Safe Routes to School	40	10	50 (4.5%)	15	35	70 (6.3%)	120

Recommendations for Unique Projects

1. Create a Unique Projects Application Category

- **History:** Unique projects have been informally defined and discussed as projects that do not clearly fit in the existing application categories, are innovative, offer regional benefits, and/or may combine or cross modal application categories. Prior to 2014 TAB considered unique projects on an as-needed basis – four unique projects were funded from 1990 through 2012. During the 2014 Regional Solicitation evaluation, TAB created a Unique Projects application category and, in the application packet, specified the information that should be submitted, but did not set aside specific funding for the Unique projects category. In the 2016 Solicitation, six applications were received and one funded, the regional Travel Behavior Inventory (TBI)/Modeling Program. After the 2016 Solicitation, the technical committees advised that unique projects are difficult to compare and should, at a minimum, meet eligibility requirements for applications considered in the funding categories and recommended that TAB not explicitly solicit for unique projects. For the 2018 Solicitation, TAB did not explicitly establish a unique projects category, but included language in the packet that the Solicitation allowed for the submittal of unique projects directly to TAB for consideration. The TBI/Modeling Program submitted information on its past accomplishments and was funded. A second project, the St. Paul Hourcar project, applied as a Transit Expansion project but was deemed not to fit into the category and considered as a unique project. After several discussions and committee meetings, the project was funded at a reduced level. The consideration of this project was time-consuming and contentious, partially due to the lack of identified selection criteria and a process for considering Unique projects. In addition, the lack of a process did not allow for other potential Unique projects to submit for consideration.
- **Need/Problem:** The emergence of new transportation technologies, shared mobility, on-demand services, and transportation options that cross or integrate modes has also created a potential category of projects that do not fit into the existing application categories. TAB may want to consider funding these projects as they can offer regional benefits and test new technologies and services, but it is difficult to anticipate these project types in advance. In addition, while these projects may fit into the existing categories, they cannot necessarily be scored using the same measures and values.
- **Recommendation:** Create a Unique Projects application category
- **Benefit/Impact:** Allows TAB the opportunity to consider Unique projects that may offer innovation or new services that TAB is interested in funding and testing within the region. Also allows applicants the opportunity to receive funding for nontraditional projects that are being developed and/or tested in the region.

2. Set Aside 2.5% of the Total Solicitation Funding for Unique Projects

- **Need/Problem:** One of the reasons the 2018 discussion of the St. Paul Hourcar unique project was difficult and time-consuming was due to the lack of identified funding for unique projects. The project was seen as directly reducing and competing for the funding that would otherwise be available for identified projects in the other application categories.
- **Recommendation:** Set-aside 2.5% of the total available Solicitation funding for potential Unique projects prior to releasing the 2020 Solicitation.
- **Benefit/Impact:** Setting aside funding expresses that TAB is willing to consider and fund Unique projects but does not necessarily guarantee the funding of a Unique project. Setting aside 2.5%, or

about \$4-\$5 M, will potentially allow for the on-going funding of the regional TBI/Modeling Program (about \$580,000) and 1-2 additional Unique projects should TAB so choose. In addition, should a Unique project not be selected, the funding can be reallocated to the other application categories.

3. Select Unique Projects in the 2022 Solicitation

- Need/Problem: Because Unique projects are using innovative technologies and concepts, it is likely that sponsors and TAB would want them to be funded and implemented on a shorter timeline than projects in the traditional application categories, which receive funding 4-5 years in advance.
- Recommendation: Set-aside 2024-2025 federal funding for Unique projects in the 2020 Solicitation but select projects for this funding in the 2022 Solicitation.
- Benefit/Impact: Setting aside 2024-2025 federal funding in 2020 and waiting until the 2022 Solicitation to select projects, will allow for selecting the Unique projects 2-3 years in advance of project implementation, rather than 4-5 years in advance as in the other application categories. (This is similar to the funding within the Travel Demand Management category.)

4. Identify the Unique Projects Criteria and Evaluation Process after the 2020 Solicitation

- Need/Problem: Establishing the criteria for evaluating and process for selecting Unique projects will likely be time-consuming as it is a new process and understanding and agreement must be built. If the Unique projects will not be selected until the 2022 Solicitation, TAB can wait to establish the criteria and process for selecting Unique projects until after the 2020 Solicitation has concluded.
- Recommendation: Establish the evaluation criteria and process for selecting Unique projects after the 2020 Solicitation has been released.
- Benefit/Impact: This will allow for additional time for consideration and allow TAB to focus on the more immediate decision-making needs of the 2020 Solicitation.

Recommendations for Transit Applications

1. Bus Rapid Transit Funding Program

- Need/Problem: Bus rapid transit projects are larger scale, high-priority projects that the regional solicitation does not effectively fund with the current structure. Under the current structure, arterial bus rapid transit projects are the top-scoring projects in the transit subcategories, often by wide margins, indicating they best achieve the Regional Solicitation values for transit as exemplified by the technical scores. These projects do not have other dedicated or reliable funding sources (as do the large New Starts projects which receive 50% federal funding), but the current structure only funds a small percentage of each project per application maximum limits. Stakeholder feedback indicated a desire to not have other transit projects compete with the high scoring bus rapid transit applications, and additional feedback indicated that the current funding structure for arterial bus rapid transit grants results in incremental and inefficient project delivery.
- Recommendation: Create a bus rapid transit funding program where the federal funding amount and projects are approved outside of the application process. Set the program funding range from \$25-28 M and require a program update and fund distribution presentation to TAB prior to Regional Solicitation project selection. TAB would adopt the final list of funded bus rapid transit projects as part of the Solicitation project selection recommendation or as part of the TIP adoption. Bus rapid transit projects or extensions of existing lines would be excluded from applying in other transit categories. Transit improvements on existing lines would apply in the Transit Expansion or Modernization application categories, not through the bus rapid transit program.
- Benefit/Impact: Provides a more efficient and reliable source of funding for bus rapid transit projects that do not have a federal funding path otherwise. This includes funding Metro Transit's arterial bus rapid transit projects, which is their highest priority for Regional Solicitation funding. (Metro Transit represents 80% of the region's transit service area population and provides 94% of the ridership.) The recommended funding range for the program represents 60-67% of the transit midpoint funding target (excluding TDM funding).
- Technical Input: *While the Regional Solicitation Policy Work Group did not solicit input from technical staff on this issue, TAC had questions at its 8/7/19 meeting about the what projects would or would not be included in the bus rapid transit program, how the projects would be selected, and what projects would be eligible to submit under the existing transit categories. As a result, an additional meeting of the Transit Technical Work Group was convened and provided the following recommendations:*
 - *The bus rapid transit program should include all bus rapid transit projects at all stages of their implementation, including improvements to existing lines, projects seeking federal funding through the Capital Investment Grants (New Starts) program, and those eligible for County Transit Sales Tax funding. Under this recommended change these projects would be eligible under the bus rapid transit program and would be ineligible to submit in Transit Expansion or Transit Modernization.*
 - *Consider a higher maximum range for the bus rapid transit program category, since it would now encompass more projects than just arterial bus rapid transit. The Transit Technical Work Group suggested a funding range of \$25-31 million.*
 - *Create a bus rapid transit program technical advisory group to provide funding*

recommendations to TAB for the bus rapid transit program. This group would be representative of at least all transit agencies, all counties where bus rapid transit is being considered, and the cities of Minneapolis and Saint Paul. The group would develop an evaluation framework for bus rapid transit funding needs and use this to make recommendations to TAB to consider for their program approval process. (The TAB bus rapid transit program approval will occur prior to the other Regional Solicitation project selection so that the funding level and projects are known.)

2. New Market Project Guarantee

- **Need/Problem:** Projects that attempt to serve new markets have difficulty competing against proven transit markets because of the scoring structure in the Transit Expansion category. Stakeholder input indicated that geographic balance of transit projects is a concern, in addition to projects in suburban areas not competing well, particularly against bus rapid transit projects mostly focused on the urban core.
- **Recommendation:** Establish a funding guarantee for at least one Transit Expansion project that serves a new market, with at least one end of the project in Transit Market Area 3, 4, or 5, Emerging Market Area 2 or 3, or a Freestanding Town Center and excluding peak-direction commute express service that is oriented to downtown Minneapolis (including the U of MN) or downtown Saint Paul. Add a “New Market Project” narrative to the project application with responses to be peer-reviewed for reasonableness that the project truly serves a new market. A Transit Technical Work Group of city, county, and transit provider staff recommended a geographic and peer-reviewed definition for each project, rather than a strict definition that may be unintentionally prohibitive.
- **Benefit/Impact:** A guarantee will facilitate greater geographic balance and allow for testing of new markets using Regional Solicitation funding, particularly for small providers like the suburban transit providers. The Policy Work Group coupled this recommendation with the BRT program funding program recommendation and the two recommendations are assumed to move together, so either both are approved or neither.
- **Technical Input:** *The Regional Solicitation Policy Work Group solicited input on this issue from TAC at its 8/7/19 TAC meeting. TAC could not come to agreement on the best definition for New Markets and deferred to a Transit Technical Work Group to further discuss. As a result, an additional meeting of the Transit Technical Work Group was convened and provided the following recommendations:*
 - *Given the recommendation to broaden the bus rapid transit program to include all types of BRT projects, the program would have a greater geographic balance of eligible projects. The original intent of the New Market guarantee was a geographic balance complement to the arterial bus rapid transit program.*
 - *Coupled with the technical input above on the BRT program, the technical work group recommended including a guarantee that at least one transit project will be awarded that serves areas outside of Transit Market Areas 1 or 2 for each Regional Solicitation cycle. This could include a project from either Transit Expansion, Transit Modernization, or the Bus Rapid Transit Program.*

3. Transit Expansion and Transit Modernization Application Category Maximum Award

- **Need/Problem:** Smaller scale transit projects are often less competitive in the scoring because they serve a smaller need. As a result of larger projects (at or around \$7 million current maximum federal

award) being the most successful, fewer overall transit projects are funded making it difficult to achieve geographic balance of transit projects. Stakeholder feedback also indicated an interest in funding smaller, pilot-like transit projects or at least making them more competitive.

- Recommendation: No change recommended. A Transit Technical Work Group came to this conclusion because it would arbitrarily limit the types of projects that could apply for funding because of the typical size of transit projects. Transit agencies typically do not have access to the same funding opportunities as local governments to overmatch transit projects.
- Benefit/Impact: Projects will continue to be eligible to apply for up to \$7 million in both Transit Expansion and Modernization categories. This could limit the number of projects awarded funds and limit the geographic distribution of transit projects.

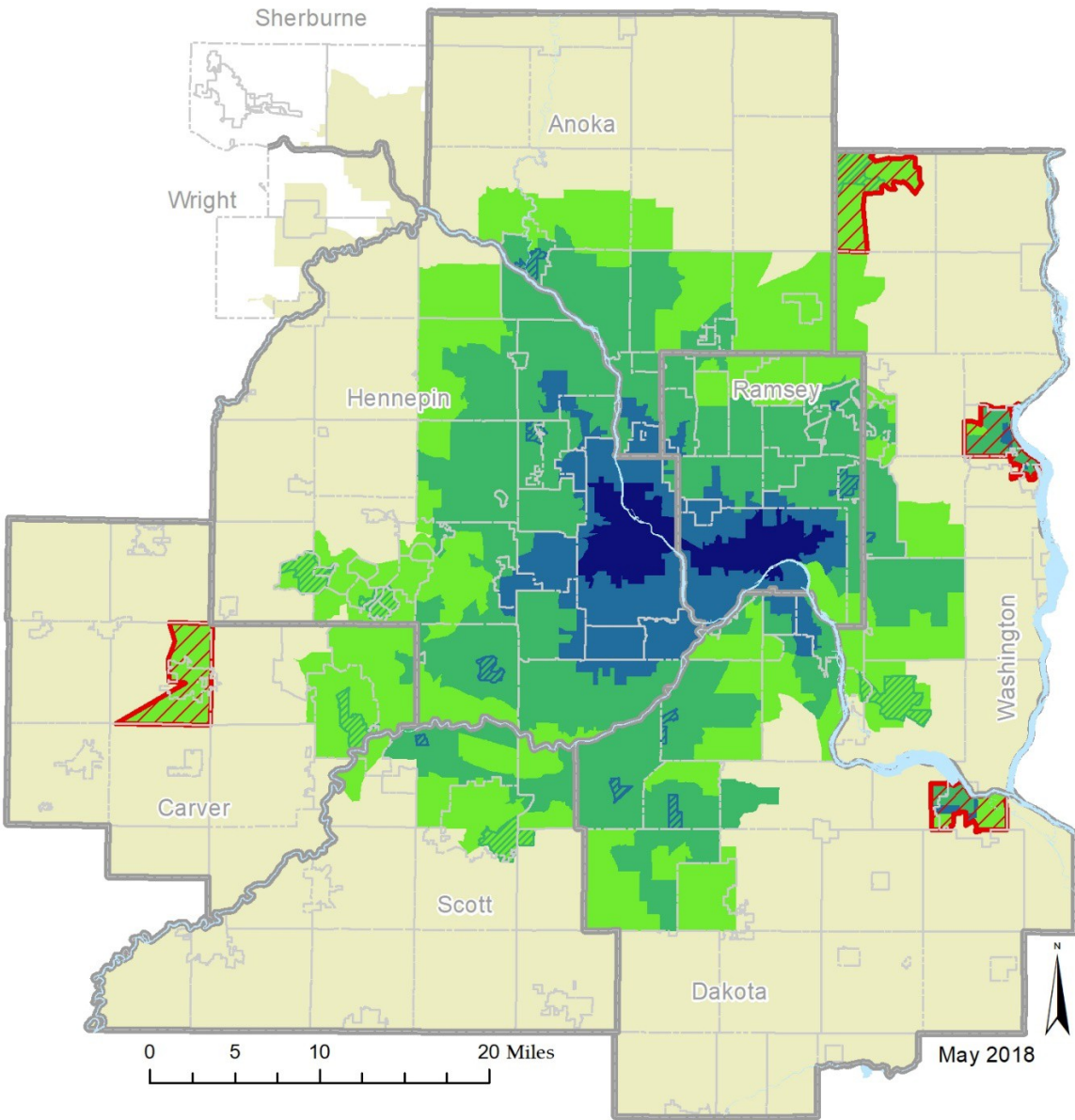
4. Transit Vehicle Purchase Limits

- Need/Problem: As transit expansion occurs through grants from the Regional Solicitation, vehicles are often purchased to provide the expanded service. Current practice does not have a process for ensuring that vehicles purchased for the Regional Solicitation stay with the funded project throughout the life of the vehicle (i.e., 5-14 years, depending on bus type). The vehicles stay with the applicant agency, even if they are no longer needed for the expansion service. This presents a risk to the Regional Solicitation and TAB that they may be funding assets that are not tied to a project. All regional transit fleet is owned by the Metropolitan Council, presenting an opportunity for a regional approach to Regional Solicitation fleet management.
- Recommendation: No change for transit vehicle purchases in the Regional Solicitation but recommended to develop a process for vehicles that are no longer used for a funded-project purpose for future solicitation cycles.
- Benefit/Impact: An initial proposal to limit the amount of project funding that could be used for vehicle expansion was rejected in favor of developing a process for what happens to vehicles that are no longer needed for their funded purpose. This recommendation better addresses the need while not limiting application funding that would otherwise limit the types of projects that could apply for funding.

5. Support Facilities Eligibility

- Need/Problem: Transit support facilities have created challenges in the scoring process because a significant portion of the scoring for Expansion and Modernization is based on impacts to riders or specific geographies. Since support facilities are not oriented to directly serve customers, the scoring can be very subjective to the scoring and the applicant submitting project details. Unless specific scoring guidelines can be developed for these unique projects, they will continue to create problems in the scoring process by potentially not competing fairly or skewing data unintentionally, as happened in the 2016 Regional Solicitation when two support projects heavily skewed the Transit Modernization category and were awarded funding.
- Recommendation: No change in eligibility for support facilities (e.g. garages, administrative facilities) but Transit Technical Work Group would like to work on the issue for future solicitations and recognized that projects in this category will likely not score well under current structure.
- Benefit/Impact: Continued eligibility for Support facilities projects continue to be eligible projects, but it is unclear how well they will score under the current scoring structure which focuses on ridership increases and customer impacts.

Transit Market Areas



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|---|-------------------------|---|--------------------------|
|  | Market Area I |  | Emerging Market Area III |
|  | Market Area II |  | Market Area IV |
|  | Emerging Market Area II |  | Market Area V |
|  | Market Area III |  | Freestanding Town Center |