Regional Solicitation Policy Work Group Meeting #6 Notes

Draft Conclusions from Roadways Applications

1. Add a new roadways application category, Spot Mobility and Safety, for intersection improvement projects. This category will have a minimum federal award of $1M and a maximum federal award of $3.5M.
    - Rationale: There was need identified for a new category for lower cost/high benefit intersection projects, consistent with the 2040 Transportation Policy Plan. This change should allow for a higher number of roadway projects to be funded and more applicants should have potential projects relative to large interchange projects.

2. Insert a new measure specific to pedestrian safety improvements as part of roadway projects.
    - Rationale: Both policymakers and technical experts recognized the need to think purposefully about pedestrian safety within roadway projects given the regional need for improved pedestrian safety.

3. Keep Roadway Reconstruction/Modernization and Bridges as two separate applications.
    - Rationale: Technical experts provided feedback that roadways and bridges are two separate project types that cannot be easily compared.

4. Eliminate the $10M minimum set-aside for the Bridge application category.
    - Rationale: Technical experts noted that removing the automatic set-aside would be consistent with the way other application categories are treated. The change would also give TAB more flexibility in their funding decision depending on the number and quality of bridge projects submitted each cycle.

5. Decrease the Traffic Management Technologies maximum federal award from $7M to $3.5M.
    - Rationale: Technical experts identified that projects submitted in this category in the past generally requested between $1M and $3M.

6. Increase the Strategic Capacity (Roadway Expansion) maximum federal award from $7M to 10M.
    - Rationale: Feedback received by MnDOT and other stakeholders noted that the $7M was not adequate in the funding of $30M+ interchange projects. Increasing the maximum award to $10M would account for the increase cost of these projects and reduce the risk of the projects being withdrawn due to a lack of funding.

Thompson said the materials seen today will go to TAB as an information item in August then be voted on in September. Peterson said these recommendations came out of the Roadway Technical Committee.

Draft Conclusions from Bicycle and Pedestrian Applications

1. Decrease the Multiuse Trail and Bicycle Facilities maximum award from $5.5M to $4M.
   - Rationale: Feedback received in surveys indicated a desire to fund more projects than the 11 out of 40 submittals in the 2018 Regional Solicitation cycle. Lowering the maximum has the potential to fund a higher number of submittals. There was some feedback from technical staff that a lower maximum would better serve the purpose of funding more projects. A $4M would have only funded two to three more projects based on the submittals from the past three cycles.

Geisler referenced a handout he had created showing a maximum of $ 4 M for the 2018 solicitation trail projects. Geisler suggests adjusting the split to 70/30 for the federal/local split as well as lowering the maximum. Geisler said it would have given three more projects in 2018 for the same amount of money. Karwoski said he would be fine with this. Dugan asked if dropping to 4 million would still fund 2 or 3 more projects. Geisler brought up whether a 70/30 split might just be more appropriate because they're more localized projects. Fox asked about the average total project size. Fox says 3.5 million per project seems to be the rough amount and the closer to that number the more efficient we are. Karwoski asked if geographic balance would have been increased. Peterson said there is no guarantee, but Karwoski said statistically it might. Hovland asked if staff thought 70/30 would be problematic, staff said no it should not be. Peterson didn't think this would discourage project applications and Hamann-Roland asked if this has been done before. Vennewitz said 80/20 is the federal requirement so that is what is usually gone with and if not, there needs to be a good reason. Koutsoukos said communication with applicants would need to take place so they are aware of the higher local match when applying. Freese commented that first time trail projects could cost more.

Recommendation to bring to TAB:
$4 million maximum federal request and two options of 70/30% or 80/20% for federal/local split.

Draft Conclusions from Transit Applications

1. 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 projects as part of the project selection recommendation or TIP adoption. Exclude bus rapid transit projects or extensions from applying in other transit categories. Transit improvements on existing lines are ineligible and must apply in Transit Expansion or Modernization. Projects that are seeking federal Capital Investment Grants (CIG) program funding are ineligible for funding in this category for the CIG-funded project.
    - Rationale: Arterial bus rapid transit corridor project applications have consistently scored at the top of the transit categories that they applied for since 2011. These projects best deliver the Regional Solicitation values for transit as exemplified by the technical scores. However, the solicitation structure does not efficiently deliver the projects, nor does it allow for adequate competition among the other transit projects because technical scores are skewed by ABRT projects. Metro Transit's #1 priority for regional solicitation funding is ABRT projects moving forward for the next several cycles, and Metro Transit represents 80% of the transit service area population and 94% of the ridership. The recommended funding range for the program represents 60-67% of the transit midpoint funding target (excluding TDM).
    - Rationale: Other BRT projects are high-cost projects that would benefit from simplified funding for project delivery. FTA Capital Investment Grant projects funded for original construction would be ineligible for this program. Extensions to existing BRT projects would be eligible. Add-ons to lines after initial construction, such as new stations, expanded park-and-rides, or other capital improvements should apply under the Transit Expansion or Modernization category.

2. 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 to be peer-reviewed for reasonableness that the project truly serves a new market.
    - Rationale: Projects that attempt to serve new markets have difficulty competing against proven transit markets because of the scoring structure in the Transit Expansion category. A guarantee will facilitate greater regional balance and allow for testing of new markets using Regional Solicitation funding, particularly for small providers like suburban transit providers. This recommendation is coupled with the BRT program funding program recommendation and they are assumed to move together as one recommendation, so either both or neither. Technical work group recommended a geographic and peer-reviewed definition for each project, rather than a strict definition that may be unintentionally prohibitive.

Hamann-Roland's provided notes on the topics discussed at the most transit provider conference call on Wednesday, July 31, 2019:

- ABRT program
    - o Must be broadened to all BRT; concerned that regional emphasis is being placed on ABRT.

We would like support for total build-out of all BRT systems.

- o Definition of BRT must be broadened to support geographic balance and suburban operators
- o STA does not support $28 million dedication for ABRT; concern that a $28 million set-aside every funding cycle eliminates other important programs.

- New Market Guarantee
  - o Revise from “New Market” to “Expanding” Market Guarantee
  - o Support benefit to Markets 3 & 4 (as defined in TPP, Appendix G)
    - Per Transit Technical workgroup, this section of the Solicitation would need a qualitative evaluation
  - o Result intended to provide geographic balance
  - o STA does not support $4M project caps, maintain existing $7M project cap.

- Support facilities
  - o Garages and maintenance facilities must remain eligible
    - Supported at Transit Technical workgroup meeting

They would like a more inclusive BRT definition that includes Suburban services.

Hiniker said enhanced express services would be competing against similar projects not BRT. Hollinshead said an express bus that a STP thinks is similar to BRT, would be an expansion of that service. Jen Lehman said the expansion would be service focused. Hollinshead commented on a geographic expansion of the route. Dave Jacobson said that the definition of BRT ought to be expanded. The committee discussed the definition of a BRT. Hiniker said the definition has been adopted in the TPP for the last ten years so that BRT is talked about to the customer across the region in the same way. Reich said there is a regional definition for the modality. Hiniker said times of day was discussed but the technical group felt geography was a more tangible way. Thompson said BRT projects dominate the scoring so other projects have a hard time competing, but now the extra money doesn’t have to compete against BRT if we do this. Koutsoukos said there are no benefits during the scoring for new market area guarantee projects. The projects are scored the same and the new market guarantee would come up during project selection. Karwoski said he favors no change and asked if there was another model in other regions. Hiniker said some regions choose to use the money to fund light rail but it’s a regional choice of priorities. Wosje asked about an existing line wanting to expand and the current service to downtown Minneapolis and Saint Paul. Hovland commented that it would require previously unserved geography. Wosje said he’s supportive of separating this out so the STPs don’t have unfair competition. Wosje added the body should ask if 2/3 of the money should go to BRT. Hollinshead commented on the importance of keeping definitions clear and he supports separating the categories but is neutral on the amounts. Geisler voiced his support as well and said partial to all day service ought to qualify for new market. Giuliani Stephens asked about staff involvement in the process at technical groups. Reich said the point scoring lead to an end because policy and objectives lead there. Hovland asked about where the new population will move to. Wosje said job expansion is going to pick up in pace and there will need to be direct routes to get people to those suburban jobs. Hiniker said there has been one New Market-like project every solicitation. Wosje said it would be helpful to see examples from TAC what projects would fit the definition and what projects would not. The committee discussed the third shift riders and how to capture if there are new riders or just shifting trips. Barber said there has to be a discussion with the business community to get the riders to the jobs. Hovland asked if this is a competitive model, Thompson answered yes. Maluchnik asked if TAC can look at this and provide feedback. Reich said he agrees he would like this to go to TAC.

3. No change to project maximum amounts.
    - Rationale: Technical work group recommended not changing the project maximum funding. A lower project maximum, while potentially allowing for funding more projects, could also prohibit good projects from applying because of the size of transit projects and the burden of federal funds for a smaller federal share.

4. No change for transit vehicle purchases in the Regional Solicitation, but recommendation to develop a process for vehicles that are no longer used for a funded-project purpose.
    - Rationale: Technical work group acknowledged the potential risk that funding New Market projects may create fleet inefficiencies. Since this issue is likely years off when following implementation, they recommended working on a process to address this risk but not changing the solicitation itself.

5. No change in eligibility for support facilities (e.g. garages, admin facilities).
    - Rationale: Technical work group acknowledged the difficulty in scoring these projects but would require more time to develop better scoring methodologies for these projects. Recommended no change at this time but 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 anyways.

Draft Recommendations for Equity Scoring

1. Shift 20 points from Housing Performance to the Equity Score in All Application Categories
    - Rationale: Under the current scoring, Housing Performance receives 70 points in every application category. The Equity scoring, which includes measures for outreach to, and the benefits and impacts of, a project on equity populations, receives scores ranging from a low of 30 points in all of the Roadway application categories to a high of 120 points in the Transit Modernization category. Sensitivity analysis has shown the 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 measures. Shifting points from Housing Performance to Equity will allow the Equity measures to have a bigger impact, particularly in the roadway categories (see Proposed Equity and Housing Scoring chart on page 9).

Dugan asked about the housing scoring. Vennewitz said a notice has been sent out to all past and potential Regional Solicitation applicants to contact their housing staff, because housing and transportation staff do not always communicate information to each other. The staff providing information for the housing score are not always aware that it affects the score of the regional solicitation applications.

2. Add an Affordable Housing Connection Measure to the Housing Performance Score
    - Rationale: Currently the housing scoring is based upon the 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 performance in the area of providing affordable housing including development policies, recent development of affordable housing, existing housing stock, and maintenance of affordable housing but is not directly project related. Adding a new qualitative score will allow the project applicant to identify how the project will improve access for specifically identified affordable housing units within ¼ mile of the project. The Housing Performance Score will be 40 points and the Affordable Housing Connection measure will be 10 points in every application category.

3. Replace the Equity Multiplier for Areas of Concentrated Poverty with Bonus Points
    - Rationale: The current scoring methodology multiplies each community's Equity 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 or poverty or population of color above the regional average receive 80% and 60% of the points respectively, down to 40% of the points for areas that do not have poverty or population of color above the regional average. This multiplier is seen as a disincentive for addressing the equity measures of outreach and benefits and impacts as communities that have small areas of equity populations could do an excellent job of outreach and identifying project benefits for the Equity populations yet receive only 40% of the total points. Removing the multiplier and replacing it with bonus points allows for full scoring for all projects and rewards projects that do an outstanding job of addressing issues and have larger equity populations.

- Proposed bonus point scoring: Only projects that have scored at least 80% of the total Equity points for outreach and identifying benefits and impacts to Equity populations 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

4. Provide Informational Workshops/Training Sessions on the Housing and Equity Scoring Measures
   - Rationale: Scoring well on the Housing and Equity measures will require applicants to actively select projects that are designed to address transportation issues experienced by equity communities. This will require engaging the 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. Projects cannot just be in a geographic location that includes equity populations – the project must have positive impacts and address specific problems experienced by the communities. The Council will design and provide optional workshops to assist applicants with learning and thinking about equity issues in relation to developing transportation projects.

Barber said there has been good feedback on this approach.

5. Convene a Regional Policy Group on Transportation and Equity
   - Rationale: 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. The TAB and Council could 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.

Cummings said 4 & 5 are much more proactive and engage with the EAC and communities and is not an afterthought. Geisler said because of the changes in 1 2 3, 4 is very important. Dugan asked how in two years we'll know if progress has been made. Peterson said another Before and After Study will be done and will for the first time include the equity questions that were included in the 2014 applications. The projects selected in 2014 are currently being built.

Draft Recommendations for Unique Projects

1. Create a Unique Projects Application Category
    - Rationale – History: Unique projects 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 2016 application packet specified the information that should be submitted but did not set aside specific funding for the 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, primarily due to the lack of identified 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.
    - Rationale – New Technologies and Shared Mobility: 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.

2. Set Aside 2.5% of the total funding for Unique Projects
    - Rationale: One of the reasons the 2018 discussion of the St. Paul Hourcar project was difficult was the lack of identified funding for unique projects. The project was seen as directly reducing the funding that was available for projects in the other application categories. 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. In addition, should a project not be selected, the funding can be reallocated to the other categories.

Geisler said there should be a plan set up for the process of if this will go through a subcommittee, etc. Barber said there should be a communication outreach as well. Reich agreed that a workplan should be created. Dugan agreed that $4-5 million is a good amount.

3. Select Unique Projects in the 2022 Solicitation
    - Rationale: Because Unique projects are using innovative technologies and concepts, it is likely that sponsors 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. Setting aside 2024-2025 federal funding in 2020 and waiting until the 2022 Solicitation to select projects will allow the unique projects to advance on a timeline of receiving funding 2-3 years in advance. (This is similar to the Travel Demand Management category.)

4. Identify the Unique Projects Weighting Criteria and Process after the 2020 Solicitation
    - Rationale: 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. This will allow for additional time for consideration and allow TAB to focus on more immediate decision-making needs of the 2020 Solicitation.

Dugan commented that 9 out of 10 peer MPOs do not set a cap and that peer review was one of the reasons behind this group.