



## **SACOG Board of Directors**

**Item #17-3-14  
Receive & File**

March 9, 2017

### **Transportation Project-Level Performance Evaluation**

In response to Board direction and input, SACOG staff has begun exploring tools and methods to analyze transportation investments at the project-level. The process builds from SACOG's existing strengths in performance evaluation at the regional, or system-wide, level with augmented capacity to identify cost-effective transportation projects with high performance benefits.

The Board was last briefed on project-level performance evaluation during the November, 2016 committee cycle. At this March, 2017 committee cycle project staff provided a brief status update to:

1. Inform new Board members of this ongoing agency work activity.
2. Present the discussion of the first Project Performance Assessment Working Group of local agency staff and regional stakeholders. Attachment A includes a brief description of the effort that staff provided to members of the working group.

One of the guiding principles of the 2016 MTP/SCS was the importance of prioritizing cost-effective transportation investments in a time of funding constraints. The overall goal of the project-level performance assessment effort is to develop a methodology which could be utilized in the 2020 MTP/SCS and possibly the next regional flexible funding round. Staff will provide on-going committee updates and seek board member input as the project progresses.

#### Attachments

Key Staff: Matt Carpenter, Director of Transportation Services, (916) 340-6276  
Bruce Griesenbeck, Principal Transportation Analyst, (916) 340-6268  
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## Project Performance Assessment Working Group

### Introduction

The Sacramento region is on the rise. We have been on the cutting edge of smart transportation and land use planning for nearly two decades. In the past few years, technology advances have improved regional planning processes. Also, as we have changed, so have the state and federal governments. Increasingly performance-based processes are being used to secure state and federal money. We see this as good news. With strong board leadership, the SACOG region has a proven track record for being a leader in performance-based planning—from the Sacramento Region Blueprint to the 2016 Metropolitan Transportation Plan/Sustainable Communities Strategy.

### Background

In 2016, the SACOG Board of Directors directed staff to begin research to improve performance-based planning within the agency. A performance-based approach examines information about roads and transit systems, the form and function of neighborhoods and communities, and the people living in those communities to try to make sound investment decisions. SACOG currently uses tools including travel models, traffic studies, and other analyses in performance-based planning. Yet many of these tools are best suited for the regional-scale. This created the need for new tools to assess individual transportation projects.

In response to the Board of Directors, SACOG is convening a Project Performance Assessment Working Group to assist in a review of methods for implementing project performance assessment. SACOG has identified two feasible methods for taking a closer look at individual transportation projects: benefit-cost analysis and performance outcomes analysis.

### Benefit-Cost Analysis

A benefit-cost analysis (BCA) places a dollar value on the various benefits of a transportation project, for example, improved travel time, decreased accidents, or fewer emissions. Then the BCA compares these monetized benefits to the project's costs to determine cost effectiveness. Typically, a BCA uses a travel demand model to estimate the benefits associated with an individual transportation project.

A BCA is practical for large investments (e.g., major passenger rail expansions, highway and expressway projects) that will likely affect the travel of many people, yet is limited to projects large enough to run through a travel model. In contrast, a performance outcomes analysis looks at a much broader range of transportation projects.

### Performance Outcomes Analysis

A performance outcomes analysis begins by connecting a vision for improving mobility and quality of life with key performance outcomes (e.g., reducing congestion, improving safety, or supporting the economy). The method then draws on project scope, existing infrastructure, and neighborhood characteristics to estimate how a transportation investment affects these benchmark performance outcomes.

### **Project Performance Assessment Working Group Details**

The working group will convene monthly, or less frequently, through the Fall of 2017 at locations in Sacramento and the surrounding area. SACOG will use input from the working group to inform discussions with the SACOG Board about the potential application of project performance assessment in the development of the 2020 MTP/SCS and future regional funding programs.

#### ***But I don't know anything about these models...Why am I invited?***

The members of this group were identified by SACOG staff. You each bring expertise that will contribute to a healthy and provocative dialog. The range of sectors included are transportation planners, public health, infill development, new construction, active transportation, new mobility, disadvantaged communities, and environmental protection. Thank you in advance for helping to bring the best analysis forward.

For more information, please contact Garrett Ballard-Rosa at [gballard-rosa@sacog.org](mailto:gballard-rosa@sacog.org) or (916) 319-5183.

## Project Performance Working Group Meeting Summary

Meeting Date: Friday, February 24, 2017

Meeting Location: SACOG

Time: 11am-1pm

### Meeting Attendees:

California Bike Coalition	Sacramento County Engineering & Planning
Caltrans	Sacramento County Public Health
City of Sacramento Public Works	Sacramento Housing Alliance
City of West Sacramento Transportation Division	Sacramento Metropolitan AQMD
City of Woodland Public Works	Sacramento Regional Transit
Environmental Council of Sacramento (ECOS)	Southeast Capital Connector JPA
North State Building Industry Association	UC Davis Center for Regional Change
Placer County Transportation Planning Agency	WalkSacramento

### Meeting Agenda:

Introduction & Working Group Welcome

Background polling

Metropolitan Transportation Plan/Sustainable Communities (MTP/SCS) Strategy Overview

Performance Assessment Practice at SACOG

Project Performance Assessment: BCA and Outcomes Analysis

Overview of SACOG's Benefit Cost Assessment

Overview and Discussion of Performance Outcome Analysis\*

Next steps

Meeting evaluation

*\* Due to valuable dialogue on earlier agenda items this topic was not covered and will be an agenda item in a subsequent meeting.*

### Meeting Summary:

Staff welcomed working group participants and conducted a round of introductions. Staff provided an overview of working group goals and outcomes from the meeting. Next, staff conducted live background polling to understand working group familiarity with project performance assessment and benefit cost analysis practices (poll results are included at the end of this meeting summary). The working group then transitioned to the agenda items, described below.

### MTP/SCS Background

Staff presented a brief overview of the MTP/SCS and how performance assessment fits into the larger plan update. Discussion focused on the purpose of the working group itself and how it fits within this larger context.

- Is this work getting to project selection for SACOG, or is this more for informing?
  - No. The working group simply considers and provides input on a technical methodology. There is no prioritization or selection conducted by the working group.
- Is this tool for local agency or SACOG staff?

- There are potential applications for both local and SACOG staff.
- How will this be used?
  - Two potential uses for Board consideration:
    - Future MTP/SCS (investment list for Federal dollars and regionally significant projects)
    - Potentially as criteria for regional funding programs, to be determined by the SACOG Board.
- Will this be used to eliminate projects before they go to the SACOG Board?
  - No. This is a methodology for the SACOG Board to consider as part of a larger performance assessment program.
- Are federal agencies doing this work? To what degree are you adding vs. responding to guidance.
  - This work responds to clear federal and state guidance.
- What does benefit and cost mean?
  - Will be discussed in benefit cost explanation.
- It appears that agencies could tie this idea to future tax measures/project identification.

### **Performance Assessment Practice at SACOG**

Staff framed performance assessment work at SACOG, beginning with the agency's longstanding practice of performance evaluation at the system, or regional, scale. The working group next discussed initial performance evaluation methods at the project level, turning to benefit-cost assessment as a potential new methodology. Due to a robust discussion, the working group did not get to performance outcomes analysis agenda item, which will be taken up at a subsequent meeting.

THEME: The region needs to be better at competing for discretionary state and federal dollars- how can performance assessment help?

- The region has not been able to compete well for state (Affordable Housing and Sustainable Communities) money. Likewise, for the Active Transportation Program. This work can help the region better compete by responding to enhanced performance criteria in these programs.
- The need [for PPA] is even more timely as grant policies around the state are becoming more stringent.
- If this project performance assessment work is done well, it can inform the state on how different areas can demonstrate benefits.
- In prior state funding programs, you can see how state methodologies are not ranking us high. Is the state looking for different types of projects or tools?
- Why is it that we are not getting enough or equal money?

THEME: Benefit Cost Assessment as a Performance Tool

- Method draws on the agency travel demand model. How much time does working group want to spend on the travel model?
- The method has several limitations. It can't look at all projects, and is better suited in analyzing larger regionally significant projects.
- Caltrans has a BCA model. Why is SACOG not using that? Is there a simplified version of BCA we could use? We need to be sure that small projects are considered too, as they can be more cost effective.
  - Are there ways to group projects together? The complementary Performance Outcomes Assessment will also consider projects of all size.
- Make sure you are not just assessing the value of large projects.

- For project costs, does the BCA consider the full cost, or just the local share? What effect would this have on elected officials favoring projects that have a different local share?
- Important to note how method would work for small jurisdictions with small budgets and large, significant and/or costly projects. With this type of project it can be hard to show cost effective performance.
- Are costs just limited to construction, or also include permitting, environmental, design and right of way?
- How does the measure consider tolls and transit fares?

THEME: Other possible issues to consider in a Benefit Cost Assessment

- Could an outcome be a case study with a sensitivity analysis around the method?
- Could the method show a connection between who is paying for the transportation infrastructure and how much benefit is received? For example, people paying into the system but don't see any benefit.
  - Theoretically could be something we could do but is a very complicated method. Currently we look at all users with monetized benefits, not divided out by subgroups.
- Is there a place where working group can see the full list of benefits?
  - ACTION: SACOG will place the list on the PPA webpage.
- Is staff thinking about affordable housing and transit dependencies of specific populations?
- Could this be comparable to how AHSC is assessed?
- How do you assign a dollar value to changes in land use? For example, agricultural impacts, including the value of the agricultural cluster plus the value of ecosystem services. How can this be reflected in these scenarios?
- How does the method monetize air quality?
  - Currently the method uses the same source as MTC and SANDAG. An air quality subgroup could consider this further.
- How constrained are we in going above what state/federal sources want? How much latitude should we have to try to bring in new benefit measures and outcomes?
- Does the method consider lifecycle benefit?
- Is there sensitivity to displacement of risk of low income people?
  - The method is about the transportation infrastructure.

THEME: Project Delivery

- Will this group look at projects that are at risk for failure or higher potential for success in terms of project delivery? Should project delivery be considered a performance outcome?
- We should think about the potential of comparing projects on delivery so that you don't deter innovation or mistakenly lose sight of a long and significant project.
- Also do we consider funding earlier phases of projects? Region has to weigh benefits of moving projects forward in the early phases. We could miss good projects because they don't get started.
- If the region funds earlier stages, that helps leverage local projects for state and federal construction dollars.

THEME: Big picture summary and next steps

- We talked about the FAST-ACT as the indicator of this type of analysis. Do we know what the new administration will do around performance assessment?
- Is there a calculation on how the method helps local jurisdictions implement their general plans?

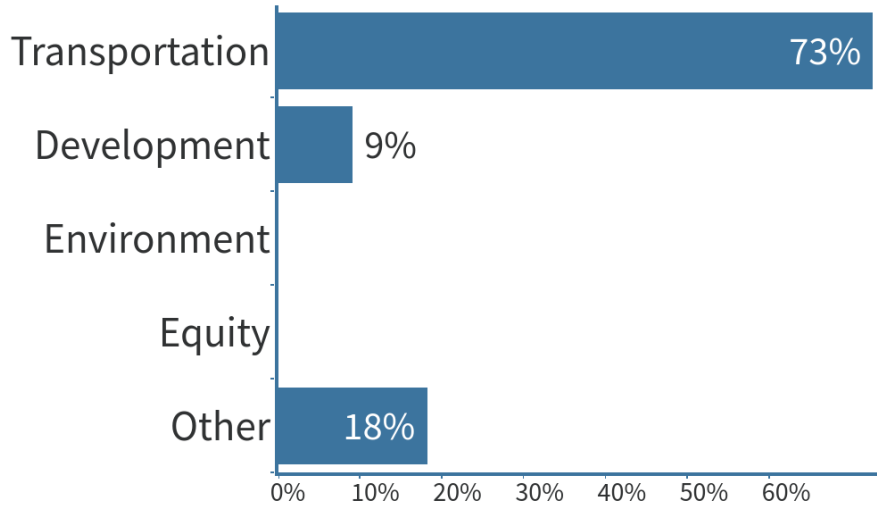
- Overall method the group will consider is the BCA and the Performance Assessment. The Outcomes have more flexibility to include the things that can't be monetized in a BCA.
- Can working group talk about project performance measures SACOG already uses, especially roadway optimization?
- When we get to the outcomes assessment, does the measure weight indicators, i.e., through a dashboard, rather than a composite score, so different board members can better assess projects by their own community's needs?

NEXT: In the next meeting the working group will consider the Performance Outcomes Assessment.

## Live Working Group Polling Results

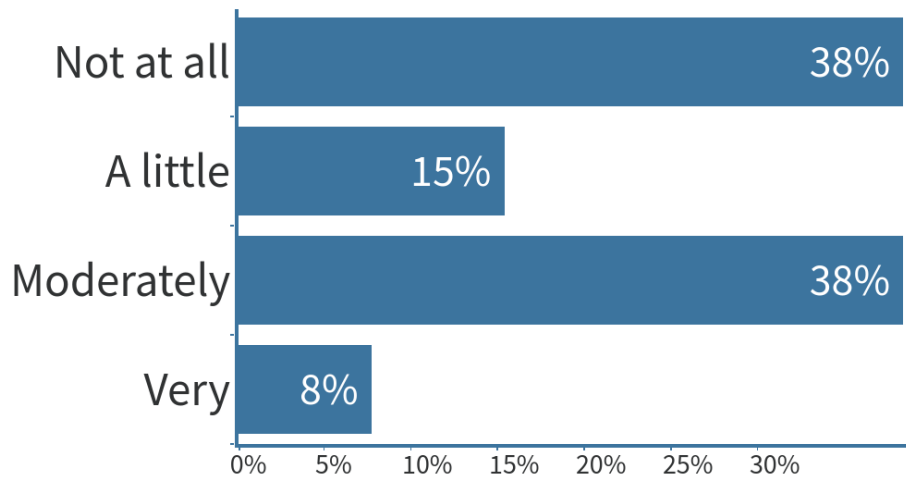
### What sector do you represent?

When poll is active, respond at [PollEv.com/garettballar218](https://poll.ev.com/garettballar218)  
Text **GARETTBALLAR218** to **22333** once to join



### How familiar are you with transportation project assessment?

When poll is active, respond at [PollEv.com/garettballar218](https://poll.ev.com/garettballar218)  
Text **GARETTBALLAR218** to **22333** once to join





## Project Performance Working Group Meeting Evaluation

February 24, 2017

<b>RANKING:</b> 1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree
<b>This meeting was well organized.</b>
Average: 4.6
<b>The length of the meeting was appropriate to get through the material.</b>
Average: 4
<b>The materials provided in advance were useful to prepare for this meeting.</b>
Average: 3.6
<b>The presentation on SACOG's overall Performance Assessment Practice was clear.</b>
Average: 4
<b>The presentation on BCA and Outcomes Analysis was clear.</b>
Average: 3.8
<b>I understand the next major steps in SACOG's Project Performance Assessment.</b>
Average: 4.2
<b>I understand how Project Performance Assessment may inform future Metropolitan Transportation Plans and/or future funding rounds.</b>
Average: 4
<b>What should be done next time to make the working group session more effective?</b>
You should include local chambers of commerce since "economic benefits" is a preferred outcome.
The challenge with this meeting was the depth of the MTP process and background discussions of what may or may not be included in analyses. This was necessary, yet we did not get to the core parts of the agenda.
<b>Additional Comments</b>
Well done! :)
Great Job, meeting facilities and organization was stellar
Needed more information but I'm it sure will come in future meetings.
The BLT sandwich was great, as well as SACOG staff.
Maybe a bit more time

## Project Performance Assessment Working Group Stakeholders

Below are the members of the working group. Based on stakeholder interest, new invitations will be sent to Greater Sacramento Area Economic Council, Sacramento Metro Chamber, and Yolo County.

CA Rural Legal Assistance	Region Business
California Bike Coalition	Sacramento Area Bicycle Advocates
Caltrans	Sacramento County Engineering & Planning
City of Folsom	Sacramento County Public Health
City of Sacramento Public Works	Sacramento Housing Alliance
City of Woodland	Sacramento Metropolitan AQMD
El Dorado County Transportation Commission	Sacramento Regional Transit
Environmental Council of Sacramento	Southeast Capital Connector JPA
Franklin Blvd Business Association	Transform
Mack Road Partnership	UC Davis Center for Regional Change
North State BIA	WalkSacramento
Paratransit	West Sacramento Transportation Division
Placer County Transportation Planning Association	Yolo County Transportation District