

# DRAFT PROPOSAL

## Next Generation Transportation Demand Management Program

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The mobility landscape is changing and SACOG's Transportation Demand Management (TDM) program is a part of that change. The SACOG Board of Directors adopted a Transportation Demand Management Strategic Plan in October of 2016 that put the TDM program on a path to become a more performance-based and innovative program that produces measurable reductions in vehicle miles traveled (VMT). Since the TDM program will no longer be a Transportation Control Measure (TCM) in the State Implementation Plan after June 30, 2018, there is an opportunity to shift the program even further to one that is more creative, nimble, performance-based, ambitious, and that emphasizes pilot testing.

Given board member interest in establishing the region as a test-bed for innovation, advancing next generation transit efforts, and needing to meet challenging greenhouse gas (GHG) targets, staff recommends continuing to fund the TDM program. The budget proposal below is for one fiscal year (July 1, 2018 – June 30, 2019). Staff will come back to the board with a funding proposal for future years later in 2018. There are many connected pieces—Civic Lab, Bike Share, Connect Card, Smart Region Sacramento, Next Generation Transit, and Green Region—that are interrelated and this approach will provide an opportunity for staff and partners to align and integrate these efforts as needed, while still releasing funds to launch pilots and fund community partners ongoing efforts in the interim.

### TDM Program Mission and Goals

The mission of the TDM program is to reduce vehicle trips and miles traveled by implementing cost-effective and innovative programs, services, projects, strategies, and policies that encourage and enable people to change their travel behavior. This mission, and the goals below, were developed through the TDM strategic planning process in 2016. The three major goals of the program are to:

1. Leverage existing and new partnerships to maximize technological opportunities, raise awareness of programs/services, and offer improved and new cost-effective programs/services that support alternative mode use and behavior change;
2. Better integrate TDM with planning and project delivery both to improve the land use/transportation planning process and promote new multimodal infrastructure when it is completed; and
3. Collect and analyze data to make smart investments that focus on long-term behavior change.

### Next Generation TDM Proposal

While SACOG is no longer required to fund TDM as a TCM, we still have challenging greenhouse gas emission targets to reach as a region, and TDM can be a cost-effective way to help us meet part of those targets. One of the main reasons that TDM can be so cost-effective is that it leverages resources from outside the organization through contracts with our Transportation Management Organization (TMO) partners that have lower-overhead costs and bring additional outside

funding to the work of reducing car trips. Continuing to have and grow strong partnerships with non-profit, private, and public organizations will be key to enabling the Next Generation TDM program to achieve its ambitious goals. The draft budget below recommends creating a new competitive grant program to provide funding for proven traditional TDM programs and/or activities. This grant program would be a larger pot of funding for these programs than we have provided in the past and the funds would be open to all of our TDM partners, specifically transportation management organizations, cities, counties, transit agencies, business associations, chambers, private organizations, and non-profit organizations. Funding levels for SACOG staff time to manage grants, contracts, and projects across the TDM program would remain flat at the FY 2017/2018 level.

SACOG has recently launched a number of efforts to develop the region as an innovator and test bed for new technologies and mobility solutions. This Next Generation TDM program would complement those efforts by directing more funding focused on the future of reducing car trips and greenhouse gas emissions. The expiration of the TCM requirements presents an opportunity to reflect on previous success, and consider a redesign of the TDM program to focus on innovative, performance-based programs that could create lasting behavior change. As we embark on a new approach to TDM and innovative mobility solutions, there are a number of principles that are driving our proposed approach:

- A strong emphasis on pilot tests and innovation;
- A more performance-based approach to delivering projects and programs;
- Competitive grants that generate creative solutions and allow a diversity of partners to compete for funding;
- Adequate funding for research and evaluation to determine the effectiveness of different solutions.

The Draft TDM Program proposal below would continue to move the TDM program toward innovative programs and activities while maintaining some proven existing programs.

## Overview

This TDM program proposal includes a combination of robust innovation efforts, proven traditional programs, and enhanced research and development work that would offer a strong regional program for partners to leverage and utilize, while continuing to move the program into uncharted territory. Through competitively awarded contracts and grant programs, we will launch a variety of innovation activities and while continuing to fund existing programs that show VMT reductions. We would convene and coordinate SACOG and partner efforts related to smart mobility technology, next generation transit, pilot testing, and ongoing traditional programs. Funding opportunities for programs that are known to be cost-effective will include competitively awarded grants for employer-based programs, vanpool subsidies, and an updated ride-matching/trip planning website.

## Innovation Programs

These programs would include a mix of grant opportunities, contracts with partners, and staff led efforts. Innovation programs as proposed request a larger pot of funding for innovations grants to begin a new round of mobility pilot projects. We would launch a New Mobility Incubator Challenge that would offer incentives for private-sector firms to propose solutions to transportation-related problems. Staff would work with an outreach partner/consultant(s) to host or curate events that encourage private sector participation in creating more robust innovation in the field, similar to existing Hacker Lab, StartUp Sac, or Transportation Camp events. We also propose supporting the pilot projects being generated by the teams currently engaged in the regional Civic Lab program and continuing a “mobility innovation

sandbox” the program that would feature curriculum focused on how to innovate, develop pilots, measure their success, and iterate. Strategic partnerships would be developed to execute all of these new activities.

### **Tested Traditional Programs**

A strong TDM program should include funding for traditional programs that show they are effective at reducing vehicle trips. Programs that offer direct incentives to commuters and residents are cost-effective programs when compared to infrastructure investments. Guidelines and contracts with TMOs for grants that fund traditional programs would prioritize efforts like employer and/or residential TDM consulting services, parking pricing initiatives, fare free transit, employer shuttles, subsidies for alternative modes of transportation, employer commuter benefit packages, residential packages that include free transit passes, and leasing/rental company programs that offer a suite of TDM benefits to residents.

Another important investment would be updating and consolidating the Sac Region 511 and Sac Region Commuter Club websites. Offering a one-stop location to residents for trip planning and ride-matching that also serves a portal for partners to administer benefits and contact customers is an invaluable tool for TDM programs. Not only would it provide information to people about their transportation options, but it would serve as a platform for administrators to collect data and measure performance. It would also be a platform for regional campaigns like May is Bike Month that outreach partners could use. Our current database/website tools are out of date and duplicative. This proposal will address that by going out to bid for one inclusive database/website tool.

Finally, we would also provide startup funding for an ongoing vanpool subsidy program in which we would report vanpool miles to the National Transit Database (NTD) to claim available funding that would flow to the region in future years. It takes approximately two years for NTD funds to flow to the region, but once they do, it would create an ongoing revenue stream for a program that could sustain itself. This could free up funds in future years to start a carpool subsidy program in a potential partnership with transportation networking companies to offer an incentive to start private-sector carpooling services in the region.

### **Research & Development**

This proposal includes funding for a contractor to conduct external performance measurement as well as additional research and development activities to ensure we are collecting valuable data to inform future iterations of the TDM program. This would allow SACOG to better capture the specific VMT reductions that are being achieved by the various activities. This information would be added to our off-model calculations to meet GHG emission reduction targets. SACOG intends to lead the TDM field in innovation, performance measurement, and performance-based funding. We would increase the amount of staff resources going toward providing educational and workshop opportunities to members and partners, as well as monitoring the TDM field for emerging trends to inform innovation efforts in the region. This field is being explored with UC Davis Institute for Transportation Studies (UCD ITS), and could be conducted in part under our Master Agreement with UCD ITS or by a consultant selected through a competitive process.

### **Budget**

Each proposed activity has an estimated budget for board consideration. Staff is recommending an increase in the total budget in order to fully fund this mix of activities. With some comparison research, staff found that as a region we are spending less per capita on TDM programs than most other large regions in California and similar-sized regions outside of California. Based on the \$1.2 million annual budget, SACOG spends about \$0.50 per capita compared to \$1.50 – \$2.50 per capita in other regions. Recognizing the reality that funding is tight across all of transportation projects/programs, staff recommends moving funds that have historically been spent on campaigns and print materials to grant programs

and innovation efforts. However, this re-allocation only partially addresses the funding needed for increased performance measurement and innovation efforts.

Staff would like to note that in the last two fiscal years, the TDM program has had a slightly higher budget of approximately \$1.5 million to move performance measurement and innovation efforts forward. These funds were savings from prior years in which the full \$1.2 million was not spent. The budget proposal below is for \$3 million to fully fund the projects that staff recommends for a strong mix of traditional and innovative programs.

### **Revenues**

Historically this program has been funded with Congestion Mitigation and Air Quality (CMAQ) funds that flow to the region and can be used for many different programs and infrastructure projects. Staff recommends continuing to use CMAQ funds while looking for additional – and potentially more flexible – revenues for the TDM program to ensure that we are able to continue to innovate, test new ideas, and strategies for changing travel behavior, and claim the off-model adjustments that help us achieve our GHG reduction goals. Cap & Trade, Capitol Valley Regional Service Authority for Freeways and Expressways, Caltrans planning grants, Office of Traffic and Safety grants, and Senate Bill 1 are potential funding sources that could replace or supplement CMAQ contributions to the program.

### **Summary**

Regardless of the direction the board decides to take the TDM Program, it will need to adapt to the new mobility landscape around us, which continues to change rapidly with new technologies, changing demographics, and rapidly changing mobility options and consumer expectations. Staff recommends increasing the funding level for TDM to \$3 million for at least the next fiscal year as we take advantage of opportunities to innovate and partner with the private sector. Staff would work to be agile in the implementation and iterate quickly when evaluation and data indicate the need. Staff will come back to the board if major changes are needed to continue to change and refine our TDM efforts.

<b>DRAFT</b>		
<b>Next Generation TDM Program Budget &amp; Activities</b>		
<b>Program Categories &amp; Activities</b>	<b>Current TDM Program</b>	<b>Next Generation TDM Program</b>
	<b>Fiscal Year 17/18</b>	<b>Fiscal Year 18/19</b>
<b>Innovation - TOTAL</b>	<b>\$ 560,000</b>	<b>\$ 1,920,000</b>
Innovations Grants	\$ 375,000	\$ 500,000
Civic Lab Pilot Projects – funding to implement	\$ -	\$ 1,000,000
Mini Grants	\$ 60,000	\$ 100,000
New Mobility Incubator Challenge	\$ -	\$ 60,000
Transportation Camp/Hacker Lab Event (s)	\$ -	\$ 25,000
Mobility Innovation Sandbox – workshops, technical assistance for innovative mobility pilot projects	\$ -	\$ 25,000
SACOG Staff Time (Managing contracts, grants, and programs)	\$ 125,000	\$ 210,000
<b>Tested Traditional Programs - TOTAL</b>	<b>\$ 825,000</b>	<b>\$ 916,000</b>
Traditional TDM Program Grants (competitive grants for employer, residential and school programs)	\$ -	\$ 450,000
TMO Pass-Through Funding (to existing TMO)	\$ 330,000	\$ -
May is Bike Month (spring campaign)	\$ 45,000	\$ -
Ready Set Ride (fall campaign)	\$ 25,000	\$ -
Trip Planning & Ride Matching Database (includes campaign website and prize drawings)	\$ 115,000	\$ 96,000
Vanpool Subsidy	\$ 30,000	\$ 150,000
Carpool Subsidy	\$ -	\$ -
Regional Emergency Ride Home	\$ -	\$ -
Program Marketing (Ad creation and media buys)	\$ 5,000	\$ 50,000
SACOG Staff Time (Managing contracts, campaigns grants, and programs)	\$ 275,000	\$ 170,000
<b>Research &amp; Development - TOTAL</b>	<b>\$ 122,000</b>	<b>\$ 164,000</b>
Performance measurement (contract)	\$ 75,000	\$ 100,000
Hosted Workshops & Partner Coordination	\$ 2,000	\$ 9,000
SACOG Staff Time (tracking state of practice, planning future program, attending conferences, performance measurement)	\$ 35,000	\$ 55,000
<b>TOTAL</b>	<b>\$ 1,497,000</b>	<b>\$ 3,000,000</b>