



MEMORANDUM

To: Transportation Committee
From: CMAP staff
Date: May 2016
Re: Update on regionally significant project thresholds for ON TO 2050

The next long-range regional plan is an opportunity to improve the definition and scope of transportation projects considered in the plan to best incorporate those that have regional impacts. Expanding the types of projects to be included can help ensure that policy-makers have ready access to the best information possible to make cooperative, transparent, and prioritized investment decisions. Over the last year, the Transportation Committee (TC), CMAP Board, and MPO Policy Committee have all held discussions on alternative thresholds for projects to include in the next long-range plan. These conversations led to general, but not complete, consensus that a cost threshold should be used to help identify regionally significant projects and that some non-capacity or state of good repair (SOGR) projects should be included in ON TO 2050.

At the November 2015 TC meeting, staff proposed a threshold of regional significance for highway capacity projects on the National Highway System (NHS) and certain transit capacity projects, both if greater than \$100 million. A second threshold of \$250 million applied to non-capacity projects and was intended to identify large SOGR projects. TC agreed to move forward with these thresholds on a trial basis by having staff work with implementers to develop an early list of projects that meet the thresholds and then report back to the TC on the thresholds' appropriateness. This memo describes the results of those meetings and recommends an adjustment to the thresholds, then outlines a process for evaluation and selection of capital projects for ON TO 2050.

Results of Meetings with Implementers

At meetings in January and February, implementers were asked to indicate how many projects within their jurisdiction would meet the thresholds. Candidate projects were compared to the cost thresholds based on current dollars. The initial capital cost for the project, not just the cost of added capacity, was used to determine whether the project is regionally significant. Since several smaller projects in a corridor can ultimately amount to a larger project, sponsors were

encouraged to consider the cost and scope of the entire build-out expected in the corridor over the time frame of the regional plan.

Highway Agencies

On the highway side, the new cost thresholds indicate that a number of arterial expansions would be considered for the ON TO 2050 fiscally constrained project list. The Illinois Department of Transportation (IDOT) listed 25 arterial expansion projects meeting the capacity threshold – although IDOT indicated that some of these projects were merely under consideration and had not had significant engineering resources committed to them – in addition to the expressway projects previously evaluated for GO TO 2040. With a few exceptions, the counties each have a handful of arterial expansion projects meeting the capacity threshold as well. About eight expressway and bridge reconstruction projects from IDOT and the Tollway would meet the \$250 million SOGR threshold; no other implementer has highway projects meeting this threshold.

Transit Agencies

On the transit side, the capacity projects would likely be those considered for GO TO 2040, with the addition of a number of bus rapid transit (BRT) and arterial rapid transit (ART) projects. Although its individual ART projects would not meet the cost thresholds, Pace suggested that the Pulse initiative should be considered as a program of projects.¹ The Chicago Department of Transportation also identified four BRT projects that would qualify as regionally significant, either individually or as a program.

The non-capacity transit projects are more complex. The proposed \$250 million threshold was meant to identify large, discretionary, non-routine, discrete investments at particular locations with defined project limits, primarily for SOGR projects. Examples would be the Chicago Transit Authority's ongoing Your New Blue project and the rebuild of the Dan Ryan branch of the Red Line in 2013, as well as Metra's planned project at the A-2 crossing (if a rebuild rather than a grade separation is chosen). However, discussions with the transit agencies indicated that most of their anticipated large SOGR expenditures are for system-wide programs like vehicle purchases, structure rehabilitations, and so forth, with some mandated by federal law, like Positive Train Control.

Revision to Thresholds

The \$250 million threshold thus captures some items that may not be geographically concentrated in the same way that major capital projects were defined in the past. Yet these investments are critical to the system and would benefit from positive attention in the plan. They should also be accounted for in the financial forecast for the plan. Therefore the \$250 million threshold should be revised so that it does not cover all work types, but instead only

¹ The [2014 MPO certification review](#) also indicated that projects seeking to move into the Engineering phase of the FTA Capital Investment Grant program needed to be specifically itemized in the plan.

SOGR improvements to particular lines and stations. In the financial plan, investments needed to replace vehicles, make mandated improvements such as PTC, or make other SOGR improvements should be included as programmatic line items with a specific focus and discussion within the plan.

The revised thresholds are as follows:

Thresholds	How included in ON TO 2050
Individual projects that change capacity on the NHS or that are new expressways or principal arterials and cost \$100 m or more	Itemized
Individual projects that change capacity on transit services with some separate rights-of-way or shared right-of-way where transit has priority over other traffic and that cost \$100 m or more	Itemized
Discrete SOGR projects costing \$250 m or more	Itemized
Programs of SOGR projects (vehicle purchase, bridge rehab, etc.) or other projects of any cost	Programmatic line items in financial plan

Projects that change capacity are those with **non-exempt TIP work types** -- in other words, those that are already considered under federal rules to demonstrate air quality conformity. With the recommended changes, the following is the initial count of projects that would meet the thresholds, assuming that projects considered in GO TO 2040 would all be considered again.

	New/expanded arterial capacity	New/expanded expressway capacity	Transit capacity projects	Discrete SOGR projects ≥ \$250 m
IDOT	25	11		4
City of Chicago			5	
Cook County				
Kane County	5			
Kendall County	3			
Lake County				
McHenry County	3			
Will County	5			
DuPage County				
Tollway		4		4
Metra			26	1
CTA			9	
Pace*			1	
Total**	41	15	41	9

* Includes Pace Pulse as a program of projects ** Does not include CREATE projects save for those associated with Metra.

For the GO TO 2040 update, a universe of 56 major capital projects was identified. With the projects identified within each implementer's jurisdiction, the new thresholds would approximately double the number of projects under consideration. Staff considers this to be a feasible number of projects for evaluation during development of ON TO 2050.

Evaluation Framework and Schedule

The following is the anticipated schedule for evaluating and recommending capital projects for ON TO 2050:

- **Identify universe of capital projects to be considered in ON TO 2050.** In mid-summer 2016, staff would begin coordinating with implementers to ensure that this initial list of regionally significant projects reflects all projects that should be considered for the next plan. Staff anticipates bringing the draft universe of capital projects to the TC in fall 2016. One consideration is whether implementers should be asked to nominate projects that are not within their jurisdictional control – for instance, a county could nominate a project on an NHS route controlled by the state. While this could somewhat increase the count of projects considered, it would allow a more complete picture of need.
- **Develop an evaluation framework.** Before carrying out the project evaluations, the TC and other stakeholders should discuss the types of measures and other information needed. Staff proposes to hold two pre-TC forums, one in July 2016 on highway projects and one in September 2016 on transit projects, to discuss the evaluation approach. The input from forum participants would be discussed at TC in fall. Initial thoughts on the framework are that the newly identified arterial capacity projects should be evaluated using simpler metrics and less-involved modeling than expressway projects, and that the discussion of SOGR projects should consist mostly of documenting and calling out the need for the project.
- **Prepare needs analysis and project benefit report.** The main product expected from the capital project evaluation is a report on the benefits and costs of the projects and the needs they serve, to be complete in summer 2017.
- **Select regionally significant projects.** Following completion of the project benefit report and discussion with the working committees, staff anticipates making a recommendation to TC on capital projects to include under fiscal constraint in late fall 2017 with presentations to the CMAP Board and MPO Policy Committee in early 2018. Financial plan development will also be completed in a similar timeframe.

Summary

The thresholds for regional significance would be relatively simple to implement, would allow a reasonably sized universe of projects to be considered in ON TO 2050, and would address the recommendations in the [U.S. DOT's certification review](#). Most importantly, the proposed

threshold can still let the plan identify the most critical projects in the region and focus resources on their accomplishment. Staff recommends using the revised thresholds to define the types of projects to be considered in ON TO 2050.

As previously discussed with TC, the committee should be aware that the definition may lead to somewhat more plan amendments. While the plan amendment process should not become purely administrative in nature, some consideration should be given to establishing a regular plan amendment process outside of the four-year update cycle, perhaps annually. Note also that specifically listing a project in the long-range plan or calling it regionally significant does not trigger any other federal or state requirements for implementers, and it has the benefit to implementers of including the project within the conformity determination for the region without requiring funding to be identified within the TIP, eliminating the need for future conformity amendments to the TIP to accommodate the project.

Action requested: Discussion