Defining Statewide Significance

October 22, 2018
Statewide significance introduced for Part 2

Term partially defined in statute

- Certain considerations in statute specific to mode (air, marine, rail) help flesh out what these projects would do

- (d) “Statewide significance” means a transportation project that:
  
  (A) Benefits the regional and statewide economy; and

  (B) Sustains employment within the community or region in which the transportation project is located beyond the employment associated with construction or implementation of the project.
Statewide significance introduced for Part 2, continued

- Doesn’t capture the scale difference between local, regional or statewide significance

- Several possibilities for better defining these terms:
  - Minimum and maximum project size ($)
  - Tying it back to policies from OTP, OFP and Modal Plans
  - Economic analysis/projections showing impacts beyond local area
  - These concepts could be mixed and matched
1st Concept: Defining by grant size

- Based upon assumption that larger grant size = more significant project
  - In Connect Oregon 6, projects ranged from $170k to $12.9 million
  - Intermodal dedicated projects were ~$25 million

- Can also be scaled
  - e.g. $1 in the Portland metro does not go as far as $1 in Eastern Oregon, this could be scaled by County, District, or Region size

- Clear delineation between Part 1 and Part 2 projects
1st Concept: Example language

(g) For Part 2 Projects, the project size must meet the following thresholds:

(A) In counties with a population less than or equal to 20,000, a capital investment of $4,000,000;

(B) In counties with a population greater than 20,000 but no more than 60,000, a capital investment of $6,000,000;

(C) In counties with a population greater than 60,000 but no more than 120,000, a capital investment of $8,000,000;

(D) In counties with a population greater than 120,000 but no more than 320,000, a capital investment of $10,000,000;

(E) In counties with a population greater than 320,000, a capital investment of $12,000,000;
1st Concept: Challenges

• Delineations can be arbitrary
  – Removes review committees/OTC discretion from determination of statewide significance
  – These cutoffs could be used as a consideration, a factor for scoring proposal and not a hard cut off
  – How do we handle a project right below a threshold?

• Does not take into account that the cost of a project relative to its significance is different for air, marine, or rail projects
  – Could have different sliding scales by mode, however between this and population, it could get unwieldy
2nd Concept: Tying it to Adopted Policies

- Ensures that a grant being awarded is towards furthering an already adopted policy from the OTP, OFP, modal plans

- Puts the onus on the applicant to demonstrate how their project is significant in the context of statewide policies

- Common requirement in other planning contexts, e.g. major land use actions/policy updates
(9) For Part 2 projects, the Commission will consider all of the following in its determination of eligible Projects to approve for receipt of funds from the Connect Oregon Fund:

(a) Are transportation projects of statewide significance as defined by:

(A) Consistency with policies and strategies of the Oregon Freight Plan, Aviation Plan, Rail Plan, Transportation Plan or other applicable modal or topic plan elements of the Oregon Transportation Plan.
2nd Concept: Challenges

• May be difficult for applicants without strong policy background
  – Requires researching policies, strategies and actions from multiple plans

• Potential for a “kitchen sink” approach
  – Applicants may try to cite as many strategies and policies that are plausibly connected to their project as possible
  – Intention would be for them to focus on a limited number to cite and explain why.

• Modal/topic plans have differing formats, no overarching State Economic Plan for citation
3rd Concept: Geography of economic impact

- Requires applicant through analysis or other means to demonstrate that there will be an economic impact beyond the local area.
(9) For Part 2 projects, the Commission will consider all of the following in its determination of eligible Projects to approve for receipt of funds from the Connect Oregon Fund:

(a) Are transportation projects of statewide significance as defined by:

(B) Whether a proposed transportation project results in a measurable economic benefit outside the site’s county or region as specified in OAR 731-035-0070(2).
3rd Concept: Challenges

• Would require an economic analysis
  – Costs of analysis to be done by economic professionals
  – This was a requirement for the Dedicated projects

• Still a level of subjectivity in comparing projects
  – E.g. some projects may economically impact larger areas, but with a lower overall magnitude