



# 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



# 1<sup>st</sup> 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;



# 1<sup>st</sup> 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



## 2<sup>nd</sup> 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



## 2<sup>nd</sup> Concept: Example language

(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.**



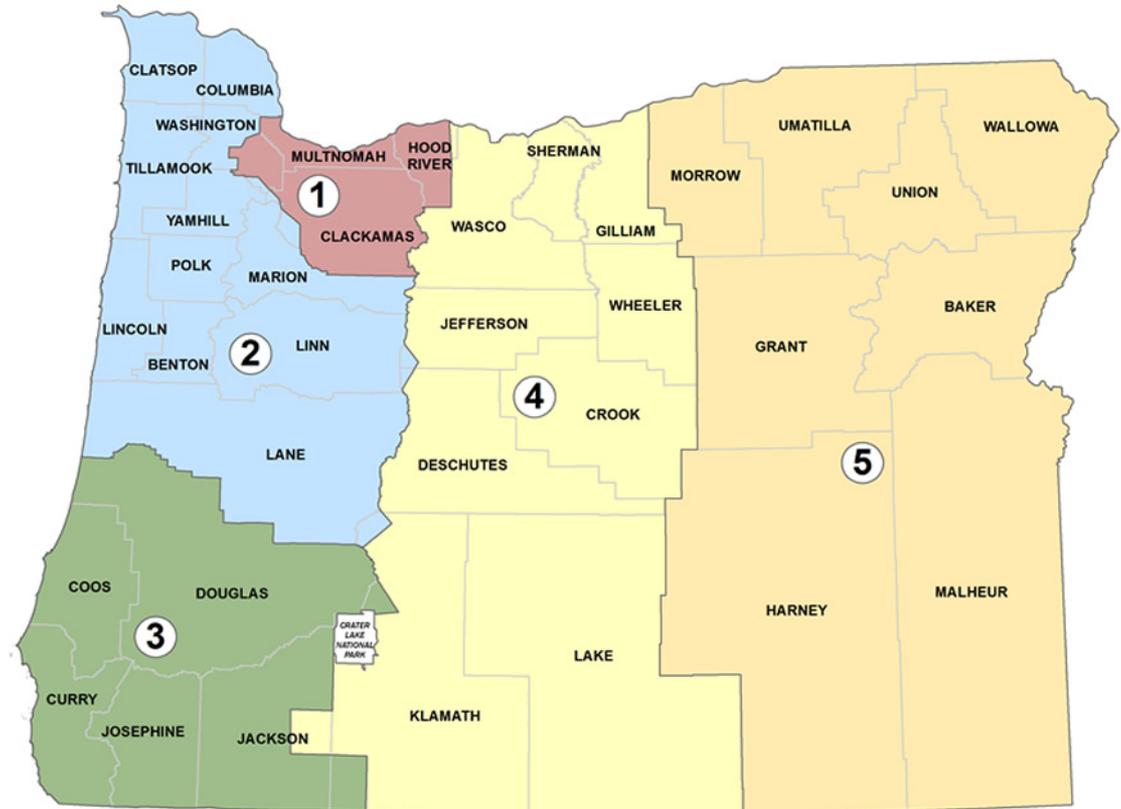
## 2<sup>nd</sup> Concept: Challenges

- 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.



# 3<sup>rd</sup> Concept: Example language

(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).**



# 3<sup>rd</sup> 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

