Strengthening Vermont’s Economy by Integrating Transportation and Smart Growth Policy

Technical Memorandum #3: Alternatives Matrix

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Introduction

Building on the analysis of agency strengths and opportunities and alternatives for improvement (Technical Memorandum #1 and #2, respectively), the purpose of this third technical memorandum is to develop a matrix of promising policy alternatives that integrate transportation and smart growth strategies appropriate to Vermont.

The study’s Project Stakeholder Group met on February 6, 2013 to discuss the findings from the first two technical memoranda, and stakeholder comments from that meeting play an important role in shaping the policy matrix presented in this document. Moreover, because the focus of this study is to identify policy improvements that can help strengthen Vermont’s economy and benefit transportation funding in Vermont, the memorandum incorporates five additional criteria to screen the potential policy alternatives. The criteria include an assessment of:

1. Cost Effectiveness,
2. Funding Stability,
3. Equity,
4. Implementation, and
5. Applicability.

Given the enormous economic, environmental, and fiscal challenges facing governments, it is important to weigh each proposed policy against all five criteria. Indeed, mounting pressures to deliver the most effective results against a range of measures argues for related changes in policy direction.

1. Key Findings from Project Stakeholder Group Meeting #1

Based on a review of existing policies and programs at VTrans and best practice case studies from across the nation, the first Project Stakeholder Group (PSG) meeting discussed alternative strategy areas and common denominators for success. Again, the study’s focus has been on how Vermont can strengthen its economy and fiscal situation through smart growth transportation policies and programs. Accordingly, the following alternative strategy areas presented at the first PSG meeting emphasized the economic and fiscal impacts of transportation spending:

1. Develop a strong set of economic impact performance measures
2. Utilize transparent and understandable economic
Transportation spending has to benefit a variety of users and geographic areas. Impact project selection criteria include:

3. Establish smart growth-based transportation and economic development programs
4. Define project need based on comprehensive community goals
5. Price transportation facilities and services to reflect benefits and costs

Additionally, case studies from across the nation in each of the strategic areas highlighted the following common denominators for success:

1. Strong collaboration among agencies and public/private sectors
2. Innovative research and tools
3. Expanded project selection processes
4. A focus on industry clusters and multimodal development
5. Linking community-based needs and statewide goals

While the technical analysis cast a wide net around alternative strategies and keys to success, the PSG honed in on several opportunities for improvement specific to Vermont and VTrans. Two key themes, in particular, developed during the course of the first stakeholder meeting. The themes address the importance of “making the right thing easy to do,” and include:

1. Measure and document the smart growth benefits and costs of public policies, public spending, and private development; and
2. Incentivize development in planned growth centers.

The first theme emphasizes the need for regular and routine smart growth information to make smart growth decisions. It also underscores transportation’s role as a means to an end – achieving state, regional, and local goals. The second theme reflects a strong recognition that many of the standard tools used to evaluate development impacts often result in growth patterns inconsistent with community goals. Together, the themes suggest a wide range of alternative strategies and possible actions for VTrans.
balance the needs of a large variety of users.

2. Alternatives Matrix Screening Criteria

Before turning to the alternatives, the matrix, or evaluation framework, uses five criteria to assess the different strategies. The criteria attempt to generate insight into both the relevance and importance of a proposed alternative. They are also defined in more general terms given the scope of this study. The criteria definitions follow.

1. **Cost Effectiveness:** A difficult funding environment requires strategies that allow the state and other transportation providers to reduce the costs of delivering transportation services. A complete picture of costs, however, must also account for a clear understanding of benefits. This criterion measures whether an alternative strategy supports comprehensive benefit-cost analysis – does the alternative promote the analysis of cost effectiveness in transportation spending?

2. **Funding Stability:** Stable funding for transportation facilities and services is essential for economic, social, and environmental sustainability. If an alternative policy can improve the funding stability of smart growth programs or services, then this criterion should rate it highly – does the alternative likely preserve or enhance long-term transportation funding stability?

3. **Equity:** Transportation spending has to balance the needs of a large variety of users and geographic areas. Strategies that promote the needs of multiple users in all geographic areas tend to be more equitable – does the alternative advance transportation programs and services that meet the needs of a variety of users?

4. **Implementation:** Because many public agencies have limited resources, alternative policies should be relatively easy to implement. This criterion evaluates if a policy generates an action that is generally understandable, implementable, and related to actions controlled by the agency – does the alternative complement existing agency or government resources?

5. **Applicability:** This factor considers the applicable area (capital improvements, maintenance, operations) the policy addresses. Given VTrans’ fundamental commitment to system safety and preservation, it is important to consider how a given policy relates to the agency’s overall budget responsibilities – does the alternative support the agency’s primary budget responsibilities?

There are, of course, many questions to ask regarding a proposed policy. The five criteria outlined here begin the evaluation process in terms of the overall goals of this study.
3. Alternatives Matrix

The alternatives included in the following matrix incorporate the findings and comments to date. They strongly reflect the two key themes from the first PSG meeting – measuring and documenting smart growth benefits and costs and incentivizing development in planned growth centers. The matrix groups the alternative strategies under headings associated with the opportunities for improvement identified in the initial technical memorandum. Many of the alternatives, however, are not mutually exclusive and could fit under multiple headings.

The matrix also describes potential actions for each alternative strategy. The potential actions are preliminary in nature, but illustrate possible steps for implementing the alternative strategies. In addition to evaluating the alternative strategies, an important goal for the second PSG meeting is to discuss actions that could implement the alternative policy approach. Again, the possible actions described in the accompanying matrix are intended to start that conversation.

Finally, the matrix in its current form is a worksheet for stakeholders to use, and poses the question, “Why is it important?” The screening criteria provide the basic framework for evaluating the relevant importance of each alternative. The criteria can and will likely be augmented through the PSG review process. As presented, the matrix provides a high level summary of the alternative policies. It does not weigh the strategies against one another or within a criterion. The matrix does, though, begin to describe the trade-offs among alternative policies. Perhaps, the most significant trade-off at this point centers on the ease of implementation, which goes to the possible phasing of policy changes. After the second PSG meeting, the alternatives matrix will be revised. The revised matrix will then form the basis for a full set of recommended actions to implement the prioritized alternatives that will be presented and discussed at the 3rd PSG meeting.
What is a worksheet for stakeholders to use and why is it important?”
## Table 1. Alternatives Matrix

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Alternative Strategies</th>
<th>Potential Actions</th>
<th>Why is This Important?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Cost Effectiveness</td>
</tr>
<tr>
<td>1. Strengthen existing smart growth transportation policies and programs</td>
<td>A. Encourage connected street networks</td>
<td>Provide technical assistance to communities for major and collector street planning (including complete street and traffic calming strategies) and develop model street connectivity standards</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>B. Encourage transit supportive development</td>
<td>Create a state incentive program for municipalities to redevelop or revitalize areas around existing or planned transit stations and services, including “park-and-ride” facilities</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>C. Manage development and/or conservation of land at interchanges consistent with state land use goals</td>
<td>Develop a new policy similar to Executive Order No. 19-3 (No. 07-01), “Conservation of land in and around interstate interchanges” (expired in 2010)</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>D. Document the smart growth benefits and costs of different types of development and state policies and investments</td>
<td>Update the “State of Vermont: Smart Growth Progress Report” (VNRC/SGV, 2007) or develop a similar smart growth tracking tool</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>E. Establish smart growth based transportation and economic development programs</td>
<td>Increase transportation funding available to designated growth centers through new or existing programs, such as the Transportation and Capital Improvement Fund (ACCD)</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>F. Develop a transportation-land use linkages program</td>
<td>Explore developing a joint competitive planning grant program between VTrans and ACCD</td>
<td>X</td>
</tr>
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<td></td>
<td>G. Update the corridor planning process</td>
<td>Reinvent corridor planning to support smart growth while also incorporating resilience, access management, and fair share</td>
<td>X</td>
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<tr>
<td>2. Align performance measures, project selection criteria, and permitting standards with the strategic goal to reinforce Vermont’s historic development pattern</td>
<td>A. Define performance measures and project need based on comprehensive community goals, including economic impacts</td>
<td>Apply Least Cost Planning tools that evaluate supply and demand solutions and provide long term cost effectiveness</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>B. Expand interagency coordination to maximize the smart growth and economic impacts of transportation investments</td>
<td>Establish a cross agency partnership responsible for coordinating state investments in economic development and designated growth centers</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>C. Develop traffic impact study requirements and standards that support state land use goals</td>
<td>Revise traffic impact study guidelines to incorporate type of area, multimodal performance measures, and other accessibility factors</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>D. Consolidate and update design standards to support multimodal objectives</td>
<td>Update documents where necessary to reflect smart growth principles as well other BMPs and consolidate into one overarching design guideline</td>
<td>X</td>
</tr>
<tr>
<td>3. Utilize smart growth policies and programs to address fiscal issues</td>
<td>A. Price transportation facilities and services to reflect benefits and costs</td>
<td>Implement a “fair share” based transportation impact fee program based on consumption measures, such as vehicle miles traveled, rather than congestion measures, such as level of service</td>
<td>X</td>
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<tr>
<td></td>
<td>B. Incentivize development in planned growth areas</td>
<td>Provide relief from Act 250 in designated growth centers through an expedited permitting process</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td>C. Incentivize construction and maintenance of local street networks, including bike/ped facilities, that serve regional transportation needs</td>
<td>Prioritize or enhance local roads funding for connector streets with a demonstrated regional transportation role</td>
<td>X</td>
</tr>
</tbody>
</table>