

## **TPB Considers Smart Growth Performance Incentives Programs**

**by Allen Greenberg**

Smart growth activists in the Washington region have long complained that the Transportation Planning Board (TPB) constructs the regional transportation spending plan, or Transportation Improvement Program (TIP), by merely stapling together the spending programs submitted by the member jurisdictions. Even when this has led to a TIP that fails to conform to the requirements of the Clean Air Act Amendments, it has been rectified by adding a few mitigation projects without rejecting any previously submitted projects.

This approach to spending clearly is not going to meet the region's smart growth goals, as embodied in the pro-smart growth TPB Vision adopted in 1998 and in the ongoing Regional Mobility and Accessibility Study (RMAS), which has been examining the benefits of Transit Oriented Development (TOD) and of concentrating growth in regional activity centers. While some jurisdictions have advanced projects that support smart growth, there has been no concerted regional effort to support smart growth with project dollars.

Fortunately, Michael Knapp, a Montgomery County Councilmember and Chairman of the TPB, and has been working to change this. He first called publicly for the creation of new region-wide incentive programs when he addressed the Citizens Advisory Committee to the TPB on March 9, and again when he addressed the TPB itself on March 15. He asked Ron Kirby, the Director of the Department of Transportation Planning for the Council of Governments, to begin to research various options and to provide progress reports back to the TPB at its monthly meetings.

Other metropolitan planning organizations are already funding incentive programs to reward local governments and private entities helping to meet region-wide smart growth goals. For example, San Francisco's Metropolitan Transportation Commission adopted a Housing Incentive Program to provide bonus transportation funds to support smart-growth housing developments with a minimum of 20 to 30 units per acre built within one-third to one-half mile from transit. A maximum per-development bonus is calculated based upon the number of transit-accessible housing units constructed and the affordability of such units. In response to a February 2005 solicitation, projects eligible for over \$30 million in bonus funds were identified.

Awarding both planning and capital funds on a competitive basis to projects meeting specific smart growth objectives, as embodied in the San Francisco program, represents the most aggressive of three policy frameworks TPB is considering for adoption. The second approach would be modeled after a Philadelphia regional program that provides a very modest \$1 or \$2 million per year for competitive planning awards, but no project funding. The third approach would merely identify priority transportation gaps and project needs consistent with regional land use goals in the hopes of garnering a regional consensus and agreement from individual jurisdictions to fund needed projects.

TPB members discussed the three options at its June and July monthly meetings without coming to any consensus. While the opinions expressed at these meetings varied widely, there seemed to be agreement that funds would be difficult to secure because of other project funding needs, failing to recognize that such other funding needs would be

substantially reduced if transportation investments and land use were more closely coordinated. Of the options, only the first begins the critically important process of aligning project funding with key regional transportation and land use objectives, although it doesn't go far enough. Additional funds should also be set aside to: (1) award businesses, and not just homebuilders, for choosing efficient locations and development patterns; (2) strategically subsidize companies that begin to provide transit commute benefits to their employees; and (3) pay for measures that preserve existing roadway capacity in congested corridors if it can be shown to provide a net financial savings by delaying the need for new capacity.

One Washington regional program, Commuter Connections, already embodies a consensus to pool funding to meet a regional objective (i.e., commuting efficiency to reduce congestion and improve air quality). This successful program should be expanded to offer incentives to employers to locate near transit and provide transit subsidies to their employees. Under an expanded Commuter Connections Program, a qualifying move could be defined as one where the traffic analysis zone (TAZ) of the new location has an average single-occupancy vehicle (SOV) commute rate that is at least 25 percent less than that of the original TAZ location. Employers could be provided a financial reward based upon the number of employees that would be expected to shift away from SOV commuting and this reward could be provided in the form of Metro checks which in turn could be distributed to transit-commuting employees.

Traffic Buster Grants is another innovative idea, originally proposed by the Oregon Environmental Council, which would award funding for independently verified reductions in congestion along priority corridors that, without such reductions, might require expensive capacity enhancements to address. A TPB Traffic Buster Program could include incentives both to protect undeveloped lands and to develop brownfields that are well served by transit. Incentive funding for the former could be used to purchase easements; for the latter, it could be used to enhance access to the existing transportation network, such as by building sidewalks that lead to Metro stations and by constructing access ramps to the regional highway network.

TPB staff has recommended that, like with the Philadelphia region's planning grants program, incentive funding contributed by each state should go only towards projects in that state. Projects that bring jobs, housing, and transportation together, however, benefit everyone in the region regardless of where in the region such projects occur. Therefore, a competitive regional program should, for maximum effectiveness, raise funds from all jurisdictions but distribute them based solely upon objective criteria such as those related to TPB Vision and RMAS goals.

The TPB will be taking this issue up again at its Sept. 20 monthly board meeting. Region-wide smart growth depends upon the TPB putting away the stapler and courageously following Chairman Knapp's lead. If smart growth is truly a regional objective, then the money must help lead us there.