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To: Salem-Plaistow-Windham MPO TAC
From: Dave Walker, Senior Transportation Planner
Date: August 2nd, 2004
Re: Statewide Transportation Business Plan Update

The New Hampshire Department of Transportation is moving forward with the update of the Transportation Business Plan. As part of this process the DOT will be seeking input from transportation professionals, community leaders and the public through listening sessions.

In the fall of 2003 the SPW MPO provided written testimony to the GACIT and NHDOT during the update of the Ten Year Plan. This testimony included several comments applicable to the update of the Transportation Business Plan. These comments have been attached to this memo for your review.

The first listening session for the update of the Transportation Business plan will be held August 19, 2004 at the Regional Planning Commission Directors meeting. In preparation for this listening session the Directors were asked to answer the following three questions:

- 1. What are the key transportation issues facing your region (projects and/or more general issues)?*
- 2. What is wrong (or right) with the 10 Year Plan Process (Project Selection/Prioritization) as it exists today, and how can it be fixed or improved?*
- 3. What are your thoughts on how the first public listening sessions (October timeframe, hosted by Regions/MPOs) should be structured?*

The purpose of this memo is to solicit input from the TAC on these questions and develop a comprehensive response for the MPO.

From SPW MPO Comments to GACIT Regarding 2005-2014 Ten Year Plan:**Financial and Process Issues**

The current fiscal crisis regarding the Ten Year Plan is a continuation of a trend that has been seen over the last two biennium updates. While much of the current difficulty is due to uncontrollable factors, some is the result of the existing process by which projects are added to, and progress through, the Ten Year Plan. Projects are often added to the Ten Year Plan with ill-defined project scopes and artificially low project cost estimates. Although some of the cost escalation is not fully foreseeable (right of way and mitigation costs for instance), much of it could be avoided by requiring higher standards for project definition before new projects can be added to the Ten Year Program. Cost inflation, in combination with reduced funding expectations, has caused additional delays to projects each successive round. We are now at the point where projects are being removed from the plan or significantly delayed (5 and 6 years).

The NHDOT is aware of these problems and has in fact initiated discussions with the MPOs/regional planning commissions and other partners in the process in an effort to define ways to resolve them in the future. We have participated in these discussions and support this effort and their conclusions. The Salem-Plaistow-Windham MPO supports the following recommendations to address the existing problems in the Ten Year Plan development process:

- 1. Account for expected cost inflation when developing project costs for future years.** Currently only increases in transportation funding are accounted for by NH DOT, creating the impression that there is more funding available than there will be in actuality. Even if this accounting is simply a flat rate applied to the project cost each year, it will provide a better estimate of future costs than the current system. *The recommendation of the Seacoast MPO is to account for the impacts of inflation on project costs.*

- 2. Improve the project development process.** Under the current process, projects are often submitted and programmed that are conceptual in nature with the understanding that they will become more defined as they go through the queue of projects. Because these projects are not fully developed, the end result is often significantly different from what was envisioned at the start. This need for project revisions creates financial and resource allocation concerns, as well as making local acceptance more difficult and time consuming. These changes often result in better projects, but it is inefficient and not easy to account for in the development of project timelines and financial plans. *The recommendation of the MPO is to change the project development and programming process to make projects meet specific requirements before being able to advance in the Ten Year Plan.* The communities need to take a more responsible role in project development, and NH DOT needs to facilitate improved project development. A conceptual project development process is attached to this document, but boils down to the following concepts:
 - ? Early community involvement/approval of a proposed project.
 - ? Early project development work to set the scope.
 - ? Integration of the state and regional planning processes.
 - ? Projects advance based on readiness and prioritization.
 - ? Wait to program construction and right-of-way funds until the scope of the project is fully defined.

- 3. Provide additional funding for all types of transportation projects.** There is a need within the state to fund all types of improvement projects. Given the likelihood of reduced federal allocations to the state of New Hampshire via the Safe, Accountable, Flexible, Efficient Transportation Act of 2003 (SAFETEA), it becomes more important than ever that additional non-federal funding sources be identified. New Hampshire's gas tax was last raised in 1990 (?date?), and has not kept pace with inflation, so each year the state in effect has a smaller pool of funds to do the necessary work to maintain our transportation system. Funding must also be made available that can be utilized for transit and other non-highway improvement projects as well. The traditional approach of continuously widening roads to address congestion is increasingly unworkable due to the high cost of construction and right-of-way, and resistance from abutters. Transit service is one effective method of reducing congestion without constructing wider roads. However, transit providers in New Hampshire are often unable to fully utilize federal funds allotted to the state due to a lack of state and local matching funds. This makes it difficult for the transit agencies to make service improvements and expansions, and in some cases even maintain existing levels of service. *The Salem Plaistow Windham MPO recommends that options be examined to increase non-federal transportation funding in New Hampshire, including: (1) raising the state gas tax (also indexing it to inflation), and (2) pursuing bonding for the I-93 Expansion project.*
- 4. Improve Project Integration and Planning.** The Ten Year Plan is organized as list of individual projects generally prioritized by when they were added into the plan. Each of these projects has a development schedule that is independent of other projects. However, many projects should be coordinated by virtue of their common and related impacts. For example the Salem Depot Project (Project 12334), the I-93 improvements, the Route 111 bypass in Salem and Windham, and the Salem ITS project (development of an adaptive signal control system) all share proximity and the capacity to create common benefits or common problems. The Ten Year Plan should respond to related projects by recognizing their interdependence, and sequencing them properly to create a coordinated set which would ensure a better outcome by minimizing the impacts of construction and maximizing the benefits of the improvements for the region. For example, imagine the I-93 project under construction with no ITS system to manage detours, while at the same time, construction is underway at the Salem Depot and on the Route 111 bypass. Without examining the grouping and sequencing of projects on a regional level, the potential for this scenario exists. *Therefore, the recommendation of the MPO is to review the Ten Year Plan and create regionally coordinated groups of interrelated projects.* This grouping should be sequenced and a "critical path" developed to ensure better coordination between projects. This "critical path" would be the sequence of events that need to occur to get all of the projects completed as scheduled. The progress (or lack of progress) on the grouped projects would be tied to this sequencing and would impact the schedule of all of the projects involved, advancing them or delaying them as necessary, but maintaining the sequence of events necessary to maximize the project benefits and minimize the negative impacts of construction.
- 5. Ensure funding for small projects.** Approximately 270 (77%) of the 352 projects programmed in the State Ten Year Plan cost under three million dollars, provide benefits to approximately 150 communities throughout the state [See Table Below] and yet account for only about 10% of all of the improvement funds programmed in the 10 Year Plan. A mechanism needs to be put into place to guarantee that these small projects do not get pushed aside and delayed due to the cost increases in the larger projects. While the large projects are without a doubt important to the statewide transportation system and provide benefits to many communities, the smaller projects often are designed to address immediate local and regional transportation issues such as the impacts of commuter and tourist traffic. Repeated delays to this type of project make them less able to provide needed benefits as proposed, which is when the scope and cost begin to change significantly. *The*

recommendation of the MPO is to establish a “set aside” of funds within the existing program to ensure adequate funding for small projects. The MPO would also recommend that these small projects be programmed for construction a maximum of 5 years into the Ten Year Plan, similar to the TE and CMAQ programs.

Draft 2005-2014 Ten Year Plan Project Cost Breakdown

Project Cost Range	# of Projects in Range	Percent of all Projects	Total Cost of Projects	Percent of Total Cost
> \$100 Million	3*	0.9 %	\$ 487,084,445	29.7 %
\$50-\$100 Million	4	1.1 %	\$ 310,325,000	18.9 %
\$25-\$50 Million	7	2.0 %	\$ 205,576,685	12.5 %
\$10-\$25 Million	11	3.1 %	\$ 168,501,400	10.3 %
\$3-\$10 Million	56	15.9 %	\$ 302,436,666	18.5 %
\$1-\$3 Million	55	15.6 %	\$ 95,324,000	5.8 %
< \$1 Million	216	61.4 %	\$ 70,811,048	4.3 %
TOTALS	352	100.00 %	\$ 1,640,059,247	100.00 %

* The various Interstate 93 Improvements are listed as two base projects in the Ten Year Plan with a number of subprojects (# 10418 & 13933) Listing does not include airport projects, statewide program projects (those projects without a defined location) or maintenance district projects.

We would like to emphasize that the current process has provided the Salem-Plaistow-Windham MPO with unprecedented opportunity to provide input and emphasize our priorities for transportation improvements. We believe that the process needs to be adjusted and improved to increased responsibility and accountability for both the NH DOT and the regions. The concerns stated above are beginning to be addressed by NH DOT through the agencies long range planning efforts. Many of these concepts have been advanced during discussions relating to the update of the Statewide Transportation Plan and the status of the Ten Year Plan process, and hopefully will be considered for implementation. We believe it is critical that the NH DOT proceed with the development of a new Statewide Transportation Plan, which in part addresses funding priorities and the process by which our state programs transportation projects. The completion of the Statewide Transportation Plan will not only provide an opportunity and a forum for discussion of improvements to the Ten Year Plan Process, but will also provide the regions and municipalities with insight into the criteria used to determine which projects are included in the Ten Year Plan, and how they advance once they get there.

Conceptual Project Development Process (also from MPO comments to GACIT).

1. A transportation issue is recognized by a community, regional agency, or the State. A project concept is developed including a description of the problem being addressed, a general scope and cost estimate. For example, the Town of _____ has a safety problem at _____ and at this time feels that _____ is the best way to resolve the issue. This is expected to cost \$ _____.
2. The concept then undergoes an initial determination as to whether it is local, regional, or statewide in significance. This determines the path of project development and the approvals needed on the project to advance. A local project would get it’s community approvals via the Planning Board or the municipal governing body while a regional or Statewide projects would have an Advisory Task Force composed of officials from all affected communities and regional/state agencies to guide its development and approval process. For example, the NH 125 10044B Advisory Task Force is (Plaistow-Kingston) composed of representatives from the two communities, the Rockingham Planning Commission, and NH DOT.

3. Proposed projects are considered for incorporation into the MPO Long Range Plan according to the MPO Plan development process.
4. Once a project is included in the Long Range Plan it can be considered for further development and inclusion in the State Ten Year Plan. Projects are prioritized by the MPO/Regional Agency and submitted to the NH DOT for potential inclusion in the Ten Year Plan.
5. When a project is added to the Ten Year Plan, it enters at Phase 1. This is a project development phase that ends for the project only when schematic plans have been developed and appropriate approvals have been provided by the communities/agencies involved. In this phase, only project development funds are programmed and a timeline for project development laid out.
6. Once the schematic plans and approvals are in place, the project could enter Phase 2 to work on Preliminary Engineering and any necessary environmental documentation. The end result of this would be a detailed scope of the project and any environmental documentation as necessary.
7. To advance from Phase 2 to Phase 3, a Public Hearing on the project would need to occur with final approval provided by the GACIT subcommittees as is done now.
8. Once the public hearing had been held and the scope finalized, Right of Way and Construction funds could be programmed and these phases of the project could begin as resources became available.
9. During each successive update of the Ten Year Plan, the Regional Agencies would prioritize projects for each phase to be considered by NH DOT in the development of the plan. The MPO would lay out priorities within the region for projects to be considered for development (enter Phase 1), move from development to Preliminary Engineering (enter Phase 2), and move from engineering to Construction (enter Phase 3).