

MEMORANDUM

October 11, 2016

TO: T&E Committee

FROM: Kristen Latham, ^{KL} Legislative Analyst
Office of Legislative Oversight

SUBJECT: **Presentation of OLO Report 2016-9, *Performance Review of Transportation Management Districts***

On October 13th, the T&E Committee will hear a presentation on OLO Report 2016-9, Performance Review of Transportation Management Districts. The Council received and released this report on July 19th. This Office of Legislative Oversight (OLO) report reviews the governance structure, programs and services offered, and annual revenue and expenditure data for the five active transportation management districts in the County. The report also evaluates current performance measurement efforts in the TMDs; in particular how the County establishes performance goals and how it then collects and reports data to measure effectiveness in achieving those goals.

For this worksession, OLO will provide a summary presentation of the report, which will be followed by Council discussion and questions. The following County staff from the Department of Transportation will be attending the worksession: Al Roshdieh, Sandra Brecher, Chris Conklin, and Gary Erenrich.

The executive summary of the report is included as an attachment to this packet.

Performance Review of Transportation Management Districts

OLO Report 2016-9

July 19, 2016

Executive Summary

This OLO report responds to the Council's request to examine the performance of Montgomery County's transportation management districts (TMDs); in particular by reviewing how the County establishes performance goals for TMDs and how it collects and reports data to measure effectiveness in achieving those goals. The Montgomery County Department of Transportation (MCDOT) implements transportation demand management programs and services through the TMDs.

Based on our review, OLO finds that MCDOT has a commitment to performance monitoring and data collection for the TMDs. In particular, the County's data collection structure generally aligns with research-based best practices needed for effective performance evaluation. At the same time, OLO's review illustrates opportunities to build up on the current TMD performance measurement efforts.

Transportation Management Districts in Montgomery County

TMDs provide concentrated services to encourage the use of transit and other commuting options and reduce single-occupancy vehicle use in Montgomery County's major business districts. The County currently operates five TMDs authorized under Chapter 42A of the County Code: Silver Spring, Friendship Heights, Bethesda, North Bethesda and Greater Shady Grove. The five active TMDs vary in size, number of employers and employees, management structure, and types of transportation options available. Additionally, some TMDs fall within a single master or sector plan area while others cross multiple planning areas.

TMD administration. The Bethesda and North Bethesda TMDs, are administered by transportation management organizations, Bethesda Transportation Solutions and North Bethesda Transportation Center respectively, under sole source contracts with MCDOT. The other TMDs are administered by MCDOT's Commuter Services Section (CSS) with vendors under task-order contracts to provide some or all programs and services. Each TMD has an appointed advisory committee.

TMD programs and services. MCDOT offers the same array of programs and services within each TMD to promote alternative transportation options. Most services are directed towards employers and employees who commute into the TMD, with fewer services aimed at TMD residents. The services emphasized at any point in time can differ based on employer and/or commuter needs or interests.

Services Directed to Employers	Services Directed to Employees/Commuters
<ul style="list-style-type: none">• Create a commuting benefits program (e.g. using transit subsidies or tax credits, developing telework policies, establishing a carpool program, etc.)• Conduct marketing/outreach on available services• Assist with completing traffic mitigation plans• Assist developers with completing required traffic mitigation agreements• Conduct an annual commuter survey• Provide employer recognition awards	<ul style="list-style-type: none">• Conduct marketing/outreach on available programs and services• Maintain a ridesharing database for commuters interested in joining a carpool or vanpool• Provide personalized commute planning• Host/sponsor major commuting events (e.g. Bike to Work day, Care Free day, etc.)• Operate two TRiPS Commuter stores for purchasing transit fare media and providing transit information

Transportation Management District Revenues and Expenditures

Montgomery County's commuter services program expenditures, both within and outside of TMDs, are largely offset with non-tax supported revenue. Montgomery County is spending \$3.5 million on commuter services programs in FY16. Nearly 70% of that amount (\$2.4 million) is offset by projected revenue from grants and TMD-related fees, reducing the total tax supported spending to \$1.1 million in FY16. From FY12-15, grants and TMD-related fee revenue offset 81-88% of actual annual expenditures.

MCDOT Commuter Services Section Revenue and Expenditures, FY12-FY16

Commuter Services Section	FY12 Actual	FY13 Actual	FY14 Actual	FY15 Actual	FY16 Budgeted
Expenditures	\$2,839,485	\$2,995,468	\$2,830,481	\$3,266,925	\$3,496,039
Revenue Offsets	\$2,411,456	\$2,491,488	\$2,488,097	\$2,635,993	\$2,410,536
Revenue as a % of Expenditures	85%	83%	88%	81%	69%
Net Tax-Supported Expenditures	\$428,029	\$503,980	\$342,384	\$630,932	\$1,085,503

The County receives four sources of revenue related to TMDs and commuter services: 1) Transportation Management Fees; 2) developer ridesharing contributions; 3) parking fees from two TMDs (North Bethesda and Greater Shady Grove) that are not within a parking district; and 4) grants from the State of Maryland and the Metropolitan Washington Council of Governments (MWCOG).

Transportation Management Fees. The County Code establishes transportation management fees as a dedicated funding source for TMDs, and requires that fee revenue must be used for administrative costs or programs within the district where it was collected. The current transportation management fee rate, established annually via Council Resolution, is \$0.10 per square foot of gross floor area applied to commercial development established after 2006 (or after 2011 for the Greater Shady Grove TMD). The approved fee rate has not changed since first adopted in 2006.

Between FY12 and FY16, total transportation management fee revenue covered 36% of total TMD expenditures on average, ranging from 28% to 41%. In FY16, the County anticipates \$615,000 in fee revenue, of which North Bethesda and Bethesda account for 51%. TMD fee revenue is budgeted to cover about 28% of total TMD expenditures in FY16. Within individual TMDs, the percent of expenditures offset by fee revenue varies from 16% to 48%.

Transportation Management Fees	FY16 Budgeted
North Bethesda	
Fee Revenue	\$155,400
TMD Expenditures	\$603,239
Revenue as a % of Expenditures	26%
Bethesda	
Fee Revenue	\$155,400
TMD Expenditures	\$664,429
Revenue as a % of Expenditures	23%
Friendship Heights	
Fee Revenue	\$125,400
TMD Expenditures	\$294,710
Revenue as a % of Expenditures	43%
Silver Spring	
Fee Revenue	\$58,400
TMD Expenditures	\$357,350
Revenue as a % of Expenditures	16%
Greater Shady Grove	
Fee Revenue	\$120,400
TMD Expenditures	\$251,799
Revenue as a % of Expenditures	48%

TMD Performance Measures and Outcomes

The performance framework for TMDs is established primarily by specific Non-Auto Driver Mode Share (NADMS) and Transit Use goals contained in master plans, sector plans, and/or the Council's Subdivision Staging Policy. NADMS refers to the proportion of commuters who get to work by means other than driving, while Transit Use refers to the percentage of commuter who use bus, commuter train, or Metrorail. The specific goals vary among TMDs, and two of the larger TMDs have separate goals for sub-areas in the district.

Both NADMS and Transit Use are measured via an annual commuter survey administered by MCDOT, and the data reflect "peak period" commuting between 7-9 am on weekdays. MCDOT currently collects commuting data only on employees who work in a TMD.

Non-Auto Drive Mode Share Performance (NADMS). The current NADMS meets or exceeds performance targets in three of the four TMDs (Bethesda, Friendship Heights, and Silver Spring) and one of the two TMD sub-areas (White Flint) with specified goals. Additionally, while the North Bethesda TMD is below the performance goal its NADMS has increased 15 percentage points since 2006, from 13% to 28%, the largest increase among the TMDs during that time period.

Non-Auto Driver Mode Share Performance in TMDs

TMD	Goal	Current (2015)	3-Year Average (2012-2015)
Bethesda	37%	38%	38%
North Bethesda	39%	28%	26%
White Flint sub-area (Stage 1)*	34%	41%	35%
Friendship Heights	39%	39%	41%
Silver Spring	46%	53%	49%
Greater Shady Grove	--	15%	16%
Life Sciences sub-area (Stage 1)^	18%	14%	15%

*Stage 2 goal is 42%, Stage 3 goal is 50%

^Stage 2 goal is 23%, Stage 3 goal is 28%

Transit Use Performance. The current transit use percent meets or exceeds performance targets in two of the four TMDs with specified goals (Bethesda and Silver Spring), with a third TMD (North Bethesda) just below the target.

Transit Use Performance in TMDs

TMD	Goal	Current (2015)	3-Year Average (2012-2015)
Bethesda	26%	28%	38%
North Bethesda	16%	15%	14%
Silver Spring	25%	38%	34%
Greater Shady Grove	12.5%	7%	6%

Other TMD program and performance data. For each TMD, the Commuter Services Section tracks and maintains a range of program and activity data, including:

- Developers have completed (or have pending) 89 Traffic Mitigation Agreements since 2000, of which most (74%) are within the Silver Spring, Bethesda, and North Bethesda TMDs;
- There were 407 Traffic Mitigation Plans filed in FY15 covering over 42,000 employees, with Bethesda and North Bethesda TMDs combined to account for 68% of employers who filed mitigation plans and 64% of the employees covered by those plans;
- Nearly 2,800 employers in the County have implemented at least one transportation control measure in FY15, a 10% increase since FY10;
- About 500 employers offer transit benefit programs, a 6% increase since FY10; and
- The County's TMD programs helped contribute to the reduction of regional NO_x, VOC, PM 2.5, and CO₂ emissions from July 2011 to June 2014.

TMD Data Reporting

While MCDOT collects a wide array of data on the performance of the transportation management districts, most of that data is not routinely published or readily accessible externally. The Commuter Services Section provides performance outcome data and summaries to the TMD advisory committees, the County Executive and Executive Branch staff, and Councilmembers and Council staff as requested, and also provides data to the State of Maryland and MWCOG as required by grant agreements.

However, required TMD performance reports have not been completed for the North Bethesda, Friendship Heights, Silver Spring, and Greater Shady Grove TMDs in recent years. The County Code requires a biennial report on the performance and activities within each TMD. Performance reports for the Bethesda TMD – via contractor Bethesda Transportation Solutions – have been published as required. Locally, Arlington County has a robust performance reporting structure for its commuter services programs – albeit with a much larger budget and personnel complement.

Report Recommendations

OLO has three recommendations for Council action intended to provide the most comprehensive view possible when reviewing TMDs from a programmatic, strategic, and funding perspective. If implemented, some of these recommendations may require additional resources.

#1. Request that MCDOT enhance its methods and structures for TMD performance reporting by:

- Ensuring that biennial reports are completed for each TMD as required by the County Code;
- Creating and publishing a formal list of goals and performance measures; and
- Developing an online performance dashboard that summarizes key measures across all TMDs.

#2. Request that MCDOT enhance its data collection efforts by:

- Exploring the calculation of vehicle use and emissions data specific to Montgomery County;
- Including evaluation components into individual program delivery, particularly for new programs; and
- Reviewing the commuter survey practices, procedures, and timing.

#3. Review and discuss with MCDOT and staff from other agencies the implications of working to achieve residential mode share goals on programming, budgets, and data collection.