



STAFF REPORT
Board Meeting of March 19, 2025

AGENDA ITEM: 5-B

PREPARED BY: Dylan Stone, Principal Regional Planner

SUBJECT:

Rural Counties Task Force: Rural Induced Demand Study

Enclosure: No

Action: Information and Discussion Only

SUMMARY:

In response to Senate Bill 743 (Steinberg, 2013) and the subsequent decision by the state to apply the legislation statewide, beyond the mandated application to projects in transit priority areas (TPAs), and the guidance issued by the Governor's Office of Planning and Research, the California Department of Transportation (Caltrans) determined that Vehicle Miles Traveled (VMT) was the metric for determining transportation impacts of capacity increasing projects on the state highway system (SHS). As a result, Caltrans's SB 743 policy prioritizes projects that do not significantly increase or induce additional VMT.

The SHS includes highways in a variety of contexts (i.e. rural, suburban, and urban area types). Existing state guidance and some tools recommended for estimating VMT have their basis in research performed in congested urbanized interstates and highways. As a result, these VMT tools may not appropriately address rural contexts and acknowledge that many of these highway corridors lack the existence of the prerequisite factors necessary for a capacity increasing project to result in induced demand. As a direct result of Caltrans' SB 743 implementation policy, critical regional priority projects that typically focus on safety, evacuation, connectivity, access, and goods movement are being put at risk of not being funded by the state and not supported by the state even for pursuit of federal grant funding.

In 2023, the California Rural Counties Task Force (RCTF) commissioned the Rural Induced Demand Study to determine the extent to which induced demand occurs in rural highway corridors and to formulate recommendations on how this phenomenon should be addressed in state guidance and environmental analyses of transportation improvements in rural areas of the State. The study was initiated in response to concerns raised by rural agencies that the current state policies relating to VMT, particularly the topic of induced demand, that have been derived from research conducted primarily on urban congested interstates and state

highways are being applied to proposed rural highway improvements thereby disadvantaging these projects from receiving critical state funding partnerships.

This report reviews academic research on induced demand; reviews state guidance that includes consideration of induced demand; identifies and evaluates case studies on the outcomes of previously constructed highway improvements; and provides technical recommendations on estimating induced VMT for highway improvement projects in rural areas. Although the focus of this study is on rural areas, its applicability spans both rural and urban counties since both contain rural area types. However, the factors that drive induced demand are typically more common in urbanized areas of the state.

Key Findings:

- The literature review highlights shortcomings in the current approaches to assessing induced demand, particularly in rural contexts, and emphasizes the importance of incorporating relevant findings into policymaking and state guidance.
- Project location and context are a key consideration for project level analysis and must be taken into consideration.
- Many rural corridors lack the prerequisite factors to result in induced demand (i.e. lack of significant congestion, no latent demand, do not significantly reduce travel times, low growth, lack of developable/marketable land, etc.).
- Recognizing that “lane miles” is an imperfect proxy or measure of travel time savings, as induced travel primarily results from reduced travel times and greater access to developable land rather than increased capacity.
- Travel behavior surveys indicate that significant travel time reductions of 15 minutes or more are required for individuals to modify or increase their travel behaviors.
- Aggregate based elasticity methods lack the context and specificity necessary for CEQA and should be utilized with caution for project level analysis.
- Combinations of analysis tools (Hybrid Methodology) such as travel demand models (short-term induced demand effect) and elasticity-based approaches (long-term induced demand effect) can address both potential impacts more accurately.
- Induced Demand “Screening Criteria” can be implemented to provide guidance on transportation projects where induced demand is unlikely to result.

For additional information please contact:

Aaron Hoyt, Deputy Executive Director
Nevada County Transportation Commission
Chair, California Rural Counties Task Force
ahoyt@nccn.net
office: (530)-265-3202

The RCTF was formed in 1988 in partnership with the California Transportation Commission (CTC) to serve as an advisory body to the CTC to ensure that the 26 Rural Regional Transportation Planning Agencies (RTPA) are engaged and have a unified voice when addressing state and federal transportation policy and funding decisions. Madera County is not a member of the California Rural Counties Task Force (RCTF). The RCTF is made up of non-RTPAs. While not an official member, MCTC regularly attends and participates in RCTF

meetings as Madera County shares many similar issues with RCTF members given its smaller population size and more rural nature than other larger, more urbanized MPO regions.

FISCAL IMPACT:

No fiscal impact to the approved 2024-25 Overall Work Program and Budget.