

**BRT, LRT, and Streetcars – Reaching the
Desirable City:
Can Transit Take Us There?**
Denver, Colorado
January 27, 2006

Overview

- Key issues to consider during project development
- Understand FTA expectations for communities seeking to construct a new start or small start project
- Overview of the New Starts and Small Starts Programs
- FTA project review process is in flux due to SAFETEA-LU
- Opportunity to shape FTA new starts guidelines and final rule
- Conclusion

Issues Prior to Alternatives Analysis

- Purpose and Need
 - What transportation-related problem is the project intended to address?
 - Are there congested corridors?
 - Does the project address circulation in the CBD and/or surrounding neighborhoods?
 - Are there limitations on available parking in the CBD that require alternative solutions?
 - Are there geographic constraints that limit non-transit alternatives?

Issues Prior to Alternatives Analysis

- What are the other objectives of the community?
 - What is the regional vision for the project?
 - How does a project fit into land use and development goals for the community?
 - Is the region prepared to amend land use plans and regional policies to emphasize job and population growth in the project corridor?
 - What is the fiscal and political climate in the community towards considering a transit investment?
-) willing to support the project through an arduous and time-consuming process?

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Issues for Alternatives Analysis

- What source(s) of funds will be used to pay for the AA?
 - AA is no longer an eligible activity under Section 5309
 - Regions will have to use either planning funds or funding from the \$25 M annually AA program
- When was the last time that the travel demand model was updated?
 - Allocation of population, employment and housing are politically charged issues in a region
 - Most models are built around highways and have to be modified to identify transit riders

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Issues for Alternatives Analysis

- If you are looking at a freight railroad corridor, consider the following--
 - Is the freight railroad a Class I or Class III railroad?
 - Is the freight railroad right-of-way a main line or branch line?
 - What are the current and proposed service levels?
 - What is the physical width of the freight railroad right-of-way?
 - More expensive and more difficult to secure access to a freight railroad corridor than expected

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Issues for Alternatives Analysis

- If you considering a city street, consider the following:
 - Do you know where the public utilities are located and who will pay for relocation?
 - What type of development is currently located in the corridor?
 - Residential, commercial and retail each raise a different set of issues
 - Developers/neighborhoods open to redevelopment?
 - Are parcels available for stations, park-and-ride lots, power stations and at what cost?

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Issues for Alternatives Analysis

- Population and employment density in project corridor
 - Is the proposed corridor already used as a travel corridor?
 - Is population growth and job growth expected to occur in the proposed corridor?
 - What steps is the region prepared to take to encourage residential, commercial and/or retail to occur in the corridor?
 - What low-income or minority populations/neighborhoods are being served by the project?

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Issues for Alternatives Analysis

- Environmental Issues
 - How many property takes are required and what are the extent of the takes?
 - Two-edged sword as this can be costly but strategic takes will allow the project sponsor to foster future development opportunities
 - Are there any obvious mitigation issues, such as wetlands, rivers or streams, or historic areas, that the project must address?
- Engaging in Public Outreach
 - Early and often
 - Assemble advisory committee of citizens, elected officials and business leaders to be project advocates

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Issues for Alternatives Analysis

- What is the financial condition of the transit authority?
 - Can't rob Peter (buses) to pay Paul (fixed guideway investment)
 - Ensure adequate funds for both capital for the fixed guideway project and operational support for the expanded system
 - What types of financing vehicles are currently available?
 - Will either a local vote or an action by the State Legislature be required to secure capital support the project and/or to operate expanded system?

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Why Does All This Matter?

- FTA is raising the bar for advancement from alternatives analysis to preliminary engineering
 - FTA expecting locality to select their Locally Preferred Alternative (LPA) and then subject the LPA to higher level of analysis
 - FTA feeling Congressional pressure to make it more difficult for projects to advance
- Key criteria for FTA are project cost-effectiveness, land use, financial plan and economic development
 - FTA must evaluate each of these criteria on a five-level scale and develop an overall project rating

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Why Does All This Matter?

- What must a project sponsor consider?
 - Analysis includes running the project through Summit, developing firmer project costs and initiating a Risk Assessment
 - Risk Assessment identifies all project uncertainties and then sets forth a plan for resolving those issues
 - Cost to acquire property
 - Contingency for project cost estimates
 - Schedule uncertainties
 - Amenability of freight railroad to negotiate

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Federal Funding

- Exempt Projects
 - Seek less than \$25 million section 5309 funds
 - Exempt from most new starts requirements
 - FTA will determine project review criteria once regulations for the small starts program are finalized
- Small Starts
 - Projects seeking less than \$75 million section 5309 and total project cost below \$250 million
 - Intended to have a reduced project review process
- New Starts
 - Projects seeking more than \$75 million section 5309 funds

New Starts/Small Starts

- | New Starts | Small Starts |
|---|--|
| • Project must be authorized for final design and construction | • Project must be authorized for construction |
| • FTA must approve project for advancement from AA to PE and from PE to final design and construction | • FTA must approve project for advancement from AA to project development and construction |
| • FTA will rate projects – low, medium-low, medium, medium-high or high | • FTA will rate projects – low, medium-low, medium, medium-high, high |
| • To advance to final design, project must receive a medium, medium-high or high overall rating | • To advance to construction, project must receive medium, medium-high or high |

New Starts/Small Starts

- | New Starts | Small Starts |
|--|--|
| • FTA enters into an full funding grant agreement | • FTA enters into a project grant agreement |
| • Grant decision based on: <ul style="list-style-type: none">- Results of AA and PE- Justified based on a comprehensive review of mobility benefits, environmental benefits, cost-effectiveness, operating efficiencies, economic development effects, and public transportation supportive land use policies and future patterns- Supported by an acceptable degree of financial commitment | • Grant decision based on: <ul style="list-style-type: none">- Results of planning and AA- Justified based on review of public transit supportive land use policies, cost effectiveness and effect on local economic development; and- Supported by an acceptable degree of local financial commitment |

New Starts/Small Starts

- New Starts**

 - Project Justification
 - Results of AA and PE
 - Reliability of forecasting methods used to estimate costs
 - Direct and indirect costs of relevant alternatives
 - Consider range of factors such as improved mobility, air pollution, and congestion relief
 - Degree to which project increases mobility or promotes economic development
 - Population density and ridership
 - Technical capability to construct the project
- Small Starts**

 - Project Justification
 - Project is consistent with local land use policies and likely to achieve local developmental goals
 - Cost-effectiveness at time of initiation of revenue service
 - Positive impact on local economic development
 - Reliability of forecast methods for costs and ridership
 - Other factors

New Starts

- Financial Plan
 - Provide for reasonable contingency to cover unanticipated cost increases
 - Each proposed local share is stable, reliable and available
 - Local resources are available to recapitalize and operate system
- Evaluation of Financial Plan
 - Reliability of forecasting methods
 - Existing grant commitments
 - Degree to which monies are dedicated to project
 - Debt
 - Degree of overmatch

Small Starts

- Project Construction Grant Agreement
 - Scope of project
 - Estimated net project cost
 - Construction schedule
 - Maximum amount of funding to be obtained
 - Obligation schedule of Federal funds
 - Non-Federal sources

Small Starts

- Corridor-Based Bus project
 - Substantial portion of project operates in ROW dedicated for public transit use
 - Substantial investment in corridor as demonstrated by:
 - Park-and-ride lots
 - Stations
 - Arrival and departure signage
 - ITS technology
 - Traffic signal priority
 - Off-board fare collection
 - Advanced bus technology

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Implementation Process

- Annual New Starts Guidance
 - Draft available in January 2006
 - Finalized by May 2006 for project submissions
- New Starts/Small Starts Regulations
 - ANPRM for Small Starts – January 2006
 - NPRM – Summer 2006
 - Final – Summer 2007
- FTA listening sessions
 - February 15th and 16th in San Francisco
 - March 1st and 2nd in Dallas
 - March 9th and 10th in Washington, DC

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Project Justification Criteria

- Land use, economic development and cost-effectiveness are to receive comparable weight
 - Cost-effectiveness (CE) – ridership, capital and operating costs and travel time
 - Compare Locally Preferred Alternative to Baseline Project
 - Incremental difference in dollar value of travel time savings determines if a project is cost effective
 - As of April 2005, FTA required a “medium” CE to be recommended for funding
 - Previously a “medium” or “medium-high” land use could offset “medium-low” on CE
- Believe guidelines for FY 08 and Final Rule must reflect this change in emphasis

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Land Use/Economic Development

- Local and regional land use plans
 - Distinguish between existing conditions and expectations from implementation of plans and policies
- Documentation of station area planning efforts
 - Distinguish between station area and corridor; and municipal and regional plans and policies
- Parking policies and pricing strategies
- Employment, housing and population in CBD, corridor and station areas
- Zoning ordinances and station area designs and supporting market studies
- Tools and incentives available to influence development

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Change Proposed for FY 08

- Expected Change in Development
 - Development potential * Transit-supportive plans, policies and actions * Development Climate
 - Development Potential – Credits/Demerits based on development and redevelopment opportunities, barriers to development (land assembly, clean-up) and existing uses,
 - Transit-supportive land use – existing and proposed plans; agency commitment to station area planning and joint development; plans and policies for pedestrian access, urban design, parking and density; past performance

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Changes Proposed for FY 2008

- Expected Change in Development (cont.)
 - Development Climate – economic indicators of economy, station area market study, approvals for development, rents and occupancy rates, employment and population growth projections
- Expected Transportation Impact
 - Transit Accessibility measure – user benefits per unit of station area development
 - Accessibility improvement – user benefits/station area employment + user benefits/station area population
 - Station area population and employment from MPO forecast

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Areas in Need of Input

- Congress concerned that all projects merge to the middle and receive a "medium" rating for land use
- FTA seeking to develop quantifiable measures that demonstrate clear differences between projects for both land use and economic development
 - Identify those measures that capture the most useful information
 - Should the measures for land use and economic development be different for larger new starts projects than small starts projects?
- Need help to reestablish the importance of land use and economic development in all phases of project advancement and funding
- Measures need to be predictive and able to be replicated throughout the US

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Areas in Need of Input

- SAFETEA-LU allows for either a corridor or subarea focus
 - Subarea analysis is new and undefined
 - Provides an opportunity to engage in an analysis that looks at a district rather than a corridor or region
 - Subarea focus could be very important for streetcars
- Role of regional land use if a subarea analysis is employed?
- FTA requires project sponsors to have build and baseline projects include same assumptions
 - Communities should be able to make land use decisions predicated on a specific investment that wouldn't be include in the baseline project

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Areas in Need of Input

- Wrestling with how to measure economic development
- Possible Measures
 - Show higher rents, densities, approved building permits, etc. in a corridor based on the streetcar?
 - Approval of density bonuses, approved developer commitments, approved TIF, BAD or other financing mechanisms?
 - Open to suggestions for other relevant measures

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Conclusion

- Important to set out a process that raises and addresses all issues up front
 - Don't want to repeat the process and risk loss of community support
 - Cutting corners can cost a project sponsor community support and credibility with FTA
- Helps get key stakeholders engaged and builds community support
- Conclusion is a well thought out project that addresses the Purpose and Need
- Understand that process is changing and be prepared to respond to those changes
