

Holland+Knight

Jeffrey F. Boothe

Holland & Knight LLP

2099 Pennsylvania Avenue, NW

Washington, DC 20006

(202) 955-3000

Heritage Trolley and Streetcar Subcommittee

APTA Annual Meeting

Dallas, Texas

September 25, 2005

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

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

Small Starts

- Project must be authorized for construction
- FTA must approve project for advancement from AA to project development and construction
- FTA will rate projects – low, medium-low, medium, medium-high, high
- To advance to construction, project must receive medium, medium-high or high

New Starts/Small Starts

New Starts

- FTA enters into an full funding grant agreement
- Grant decision based on:
 - 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

Small Starts

- FTA enters into a project grant agreement
- Grant decision based on:
 - 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

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

Key Issues

- Retaining exempt project category
 - No requirement to retain exempt category after regulations are published
 - Should FTA retain such a category?
 - If so, what information should be produced for exempt projects?
- Simplifying project approval process
 - Congress directed FTA to simplify the process but didn't specify how
 - What steps or information reported can be eliminated or reduced?

Key Issues

- There is no explicit PE phase of a project
 - Does this result in the development of an enhanced AA in order for FTA to make a decision for a project to advance to project construction grant agreement (“PCGA”) negotiations?
 - If so, what information must be developed in AA to allow FTA to make such a decision?
 - If not, then what work must be done after AA and prior to PCGA negotiations?

Key Issues

- Cost Effectiveness at time service is initiated
 - Streetcars receive very high CE numbers under Summit since they are focused on circulation and not suburb to downtown commutes
 - If the transportation benefit is not “travel time savings”, then what transportation benefits should be measured and can they be modeled?
 - VMT reductions, changing trip patterns, changing types of trips
 - Should or can areas produce a “small area” model?
 - Should small starts divide projects by functionality – i.e., line haul versus circulation projects?
 - What is the “baseline” project against which a streetcar should be compared?
 - Should a locality be required to evaluate a “baseline”?

Key Issues

- Positive Impact on Economic Development
 - Portland working on a paper that will show different development models based on the presence of a streetcar
 - Have MPO develop an alternate land use scenario based on anticipated development?
 - Can localities show higher rents, densities, etc. in a corridor based on the streetcar?
 - Should localities be required to produce plans and policies that commit to greater densities and different development patterns in order to receive FTA approval?
 - Should development agreements be required to show commitment to development? If so, when should those agreements be produced in order to receive credit during project evaluation?

Key Issues

- Project Construction Grant Agreement
 - What level of design should be completed before executing a PCGA?
 - When can private sector commitments be considered committed?
 - Should a locality be required to have “back-up” financing if private sector commitment doesn’t materialize?
 - Should the PCGA have a funding schedule similar to the Attachment 6 of an FFGA?