

Proposed Streetcar Extension – Funding Issues

THS Board Meeting
November 20, 2007

Proposed Streetcar Extension - Status

- Draft Supplemental Environmental Assessment (EA) submitted to Federal Transit Administration (FTA) in July 2007
- FTA approved release of draft EA for public and agency review
- Comments to be incorporated into Final Supplemental EA for submittal to FTA (Dec 07)
- Finding of No Significant Impact (FONSI) required from FTA to proceed with project

Key Funding Issues

- Capital funding program for extension
- Federal financial capacity requirements
- Timing issues related to federal grants

Capital Funding Program for Extension

- Current funding program is incomplete
 - Construction cost estimates *
 - Single track - \$3.67 M to \$ 4.25 M
 - Double track -\$ 4.849 M to \$ 5.608 M
 - Current & programmed funding = approx. \$2.4 M
 - \$0.1M - Existing grants
 - \$0.9M - Congestion Mitigation and Air Quality (CMAQ)
 - \$1.4M - Surface Transportation Program (STP)

* Draft Supplemental Environmental Assessment. Proposed Phase IIa Extension – TECO Line Streetcar System, URS, July 2007

Financial Capacity Requirements

- Funding is all federal funding
- Grantees must ensure that there is sufficient funding for operating & capital costs over long term (i.e. 20 years)
- Requirement outlined in FTA Circulars
 - C 9300.1A – Capital Grant Program (10-01-98)
 - C 7008.1A. Financial Capacity Policy (01-30-02)
- Staff are meeting with FTA to confirm requirements

Financial Capacity Requirements

- “Before FTA may award a Capital Program grant, FTA must make a finding that the grant applicant has or will have the financial capacity to carry out the project. Specifically, an applicant for Capital Program funds must be able to match and manage those funds, to cover cost overruns, to cover operating deficits through long-term stable and reliable sources of revenue, and to maintain and operate federally funded facilities and equipment. Financial capacity and proposed project financing must be made evident. “ *FTA Circular 9300.1A.(10-01-98)*

Financial Capacity – Issues

- Streetcar Business Plan Financial Forecast (approved by HART Board on 9-24-07) projected insufficient funding for streetcar operation after 2010

“.. the endowment fund will be depleted by 2010, resulting in operating deficits each year

\$0.97 M - 2011

\$2.29 M – 2027 “

Financial Capacity – Issues

- Business Plan Financial Forecast recommendations
 - THS, HART and City need to agree on action plan for strengthening streetcar system's financial outlook
 - Business Plan must be updated and approved before HART can secure federal grants for streetcar extension

Timing Issues - CMAQ Funding

- \$900,000 in FY2005 CMAQ funding must be included in executed federal grant by September 2008
- Requires grant actions in early 2008
 - Programming in MPO Transportation Improvement Program (TIP) and FDOT State Transportation Improvement Program (STIP)
 - Grant development and submission

Timing Issues – STP Funding

- \$ 1.4 M in STP funding (FY 2008) must be transferred from Federal Highway Administration (FHWA) to FTA
 - FDOT administers transfer process
 - Transfer should be undertaken in FY 2008

Summary of Required Actions

- Develop complete funding programs
 - Annual operating expenses (20 years)
 - Annual capital expenses (20 years)
 - Streetcar extension construction
- Update Business Plan to reflect updated funding programs

Summary of Required Actions

- Endorse Streetcar Extension and Updated Business Plan
 - City of Tampa
 - THS Board
 - HART Board
- Approve associated actions by HART Board
 - Programming of funding in local and regional documents (TIP and STIP)
 - Grant submission and execution

Next Steps

- Meeting with FTA in December to clarify federal requirements for grant funding of Streetcar extension
- Report back to THS and HART Board in January on findings
- Timing is critical because of federal deadlines for required grant actions – early 2008