

# Holland+Knight

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## Streetcars under Small Starts: How FTA Thwarted Congressional Intent New Partners for Smart Growth February 8, 2007

# Implementation of Small Starts

- Interim Guidance for FY 2008 Submissions
  - Proposed – published June 9, 2006
  - Final – July 26, 2006
  - FTA received fourteen submissions of which only ten were eligible
  - Summarize key issues in the FY 2009 Interim Guidance

# Implementation of Small Starts

- Interim Guidance for FY 09 Submissions
  - Proposed – March 2007
  - Final – May 2007
- Implementation of SAFETEA-LU
  - Proposed Rule – April-May 2007
  - Final Rule – April-May 2008
- If final rule not published by Spring 2008, the result will be submission of projects under guidance that is effective for projects that will not be authorized until the next surface transportation bill

# Project Eligibility

<b>Very Small Starts</b>	<ul style="list-style-type: none"><li>• Project cost less than \$50 million</li><li>• \$3 million/mile or less, exclusive of rolling stock</li></ul>
<b>Small Starts</b>	<ul style="list-style-type: none"><li>• Project cost &lt; \$250 million</li><li>• Section 5309 share &lt; \$75 million</li></ul>
<b>New Starts</b>	<ul style="list-style-type: none"><li>• Project cost &gt; \$250 million</li></ul>

# Project Eligibility

<b>Very Small Starts</b>	<ul style="list-style-type: none"><li>• Fixed Guideway – dedicated ROW, rail, overhead catenary wires</li><li>• Corridor-based bus - &gt;50% dedicated ROW, or</li><li>• Corridor-based bus – following elements<ul style="list-style-type: none"><li>–Substantial transit stations</li><li>–Signal priority/preemption</li><li>–Low floor vehicles/branding</li><li>–10 min peak/15 min offpeak/14 hours/day</li><li>–3,000 average weekday riders</li></ul></li></ul>
<b>Small Starts</b>	<ul style="list-style-type: none"><li>• Same as above, except no requirement for 3,000 weekday riders</li></ul>
<b>New Starts</b>	<ul style="list-style-type: none"><li>• Fixed Guideway – dedicated ROW, rail, overhead catenary wires</li></ul>

# Eligibility Favors Bus Rapid Transit

- FTA assumes projects will operate in corridors with existing bus service of 3,000 or more riders
  - Streetcars often generate ridership in excess of 3,000 riders
  - Streetcars are disadvantaged because regional travel demand models can't accurately identify potential ridership due to short trips within travel zones
- Reduced criteria for Very Small Starts favor BRT
  - Very Small Start projects don't have to demonstrate any effect on economic development
  - FTA reduced emphasis on expected investments that would define a corridor (i.e., stations, off-vehicle fare collection, park-and-ride lots, dedicated lanes, etc.)

# Project Approval Steps

<b>Very Small Starts</b>	<ul style="list-style-type: none"><li>• Alternatives Analysis</li><li>• Project development</li><li>• Project Construction Grant Agreement</li></ul>
<b>Small Starts</b>	<ul style="list-style-type: none"><li>• Alternatives Analysis</li><li>• Project development</li><li>• Project Construction Grant Agreement</li></ul>
<b>New Starts</b>	<ul style="list-style-type: none"><li>• Alternatives Analysis</li><li>• Preliminary Engineering</li><li>• Final Design</li><li>• Full Funding Grant Agreement</li></ul>

## Waiting for a Simplified Process

- Only Very Small Starts receive a simplified process relying on “warrants” that a project meets the eligibility requirements
- Otherwise, Small Starts go through “New Starts-lite” process
  - Process needs to be scaled to the level of FTA investment
  - Congress expected reduced ridership modeling, a simple process for measuring economic development impacts
- No definition of what actions would be required to successfully complete “project development” and obtain a Project Construction Grant Agreement
  - Portland Eastside Streetcar is the “guinea pig” for how FTA intends to manage this process

# Evaluation Criteria

<b>Very Small Starts</b>	<ul style="list-style-type: none"><li>• Warrants for cost effectiveness (CE), land use and impact on economic development if project contains project elements</li><li>• Receive medium for all three criteria</li></ul>
<b>Small Starts</b>	<ul style="list-style-type: none"><li>• Project justification – land use, cost effectiveness and economic development<ul style="list-style-type: none"><li>– Cost effectiveness at opening year</li><li>– CE adjusted by factor of 1.5</li></ul></li><li>• Economic development – verifiable, distinguish benefits from other local conditions</li></ul>
<b>New Starts</b>	<ul style="list-style-type: none"><li>• Project justification – land use, cost effectiveness, economic development, mobility improvements, environmental benefits</li><li>• Project Management Plan</li><li>• Certification of technical methods</li></ul>

# Project Review Criteria

- FTA has shown little flexibility in redefining “cost effectiveness”
  - No streetcar would be able to meet New Starts standard for a “medium” rating for cost effectiveness
  - Streetcars aren’t able “travel time saved” but are circulator tools that shape development
- Congress intended economic development to be separate from cost effectiveness
  - Goal was to identify measurable actions taken at local level to influence development
- Congress expected comparable weight to be given to cost effectiveness, land use and economic development

## Next Steps

- Urging Congress to conduct oversight hearings to raise these issues
  - Please contact your Senators and Member(s) of Congress to have these issues raised when FTA testifies
- Need input in support of streetcars this Spring on both FY 09 Small Starts Guidance and on the proposed rule
- Seek changes in next authorization bill to establish a project review process that recognizes full benefits of streetcar projects
  - Seek support from Congress to make these changes