



# FIRST INVESTMENT EVALUATION AND RECOMMENDATION

5.22.2012

AUSTIN CITY COUNCIL



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**AUSTIN MOBILITY**

Making mobility better, together.

Urban Rail is a part of



# AGENDA – TWO WORK SESSIONS

- **SYSTEM**

- How will high capacity transit components in the CAMPO 2035 plan work as a system (Urban Rail)?

- **ORGANIZATION**

- How will our region organize to develop and operate the system?

- **FUNDING**

- How will we pay for the system over the long term?

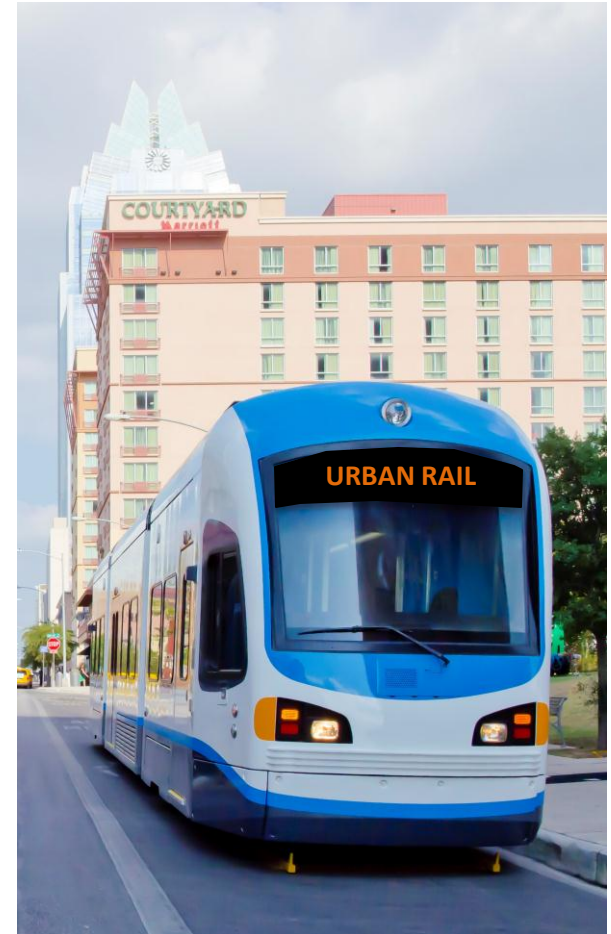






# AGENDA – TODAY'S SESSION

- **Urban Rail History**
  - Challenge addressed
  - Staff efforts and Council direction
- **CAMPO Transit Working Group**
  - TWG charge
  - Status
- **Urban Rail Recommendations**
  - Recommended building blocks
  - Recommended prioritization
  - ***Recommended financing***
  - Schedule





# The Transportation Mobility Challenge

## Central Texas Has a Problem:

**Continued vitality & economic health of our region is at risk due to a lack of mobility**

- Mobility systems serving our business & cultural core **are inadequate to meet existing demand/future growth**
- A healthy region requires a healthy core
- We need a multi-modal transportation approach...Roadways, express lanes, high capacity transit, bike/ped investments to meet this challenge



*New transportation investments, providing viable travel options, are needed to increase mobility*





# Transportation System Planning Efforts

## Regional Planning

- CAMPO 2035 (adopted 2010)
  - *Multi-year planning process*
  - *Incorporates “Centers Concept”*
  - *Developed a Multi-modal Transportation System*
    - Roadways
    - Public Transportation
    - Bike and Ped
    - Freight
  - *Financially Constrained*



*Urban Rail serves  
local & regional trips  
and can operate in mixed  
or dedicated rights-of-way*





# How does Urban Rail Fit Within the Transportation System?

## Project Development

- Urban Rail Studies
- Imagine Austin
- Downtown Austin Plan
- Austin Strategic Mobility - Project Prioritization Process
- E. Riverside Corridor Plan
- Mueller Redevelopment
- Central Austin Circulator (2006)
- All Systems Go (2004)
- **TRANSIT WORKING GROUP**



*Urban Rail serves  
local & regional trips  
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# CAMPO Transit Working Group

## TWG Charge:

- “As a committee of CAMPO, the Transit Working Group will evaluate and provide input toward a regional high capacity transit plan for Central Texas and explore how its various components work as a system to fulfill the region’s transportation and future growth needs.”

## How are we working at accomplishing the TWG Charge?

- Project Connect



*High Capacity Transit provides attractive options for commuters & other travelers*





# “PROJECT CONNECT”

## ***Project Connect:***

- **Regional partnership funded by the City of Austin:**
  - Lone Star Rail,
  - Capital Metro,
  - City of Austin,
  - CAMPO
- **Focused on developing answers to 3 major questions:**
  - System
  - Organization
  - Funding
- **Community Outreach:**
  - Reported back through TWG (16 meetings to date)
    - 10 Project Connect open houses including 6 spread throughout the City of Austin and one each in Round Rock, Kyle, Cedar Park and Pflugerville.
    - 1 online open house.



Public  
involvement  
picture here

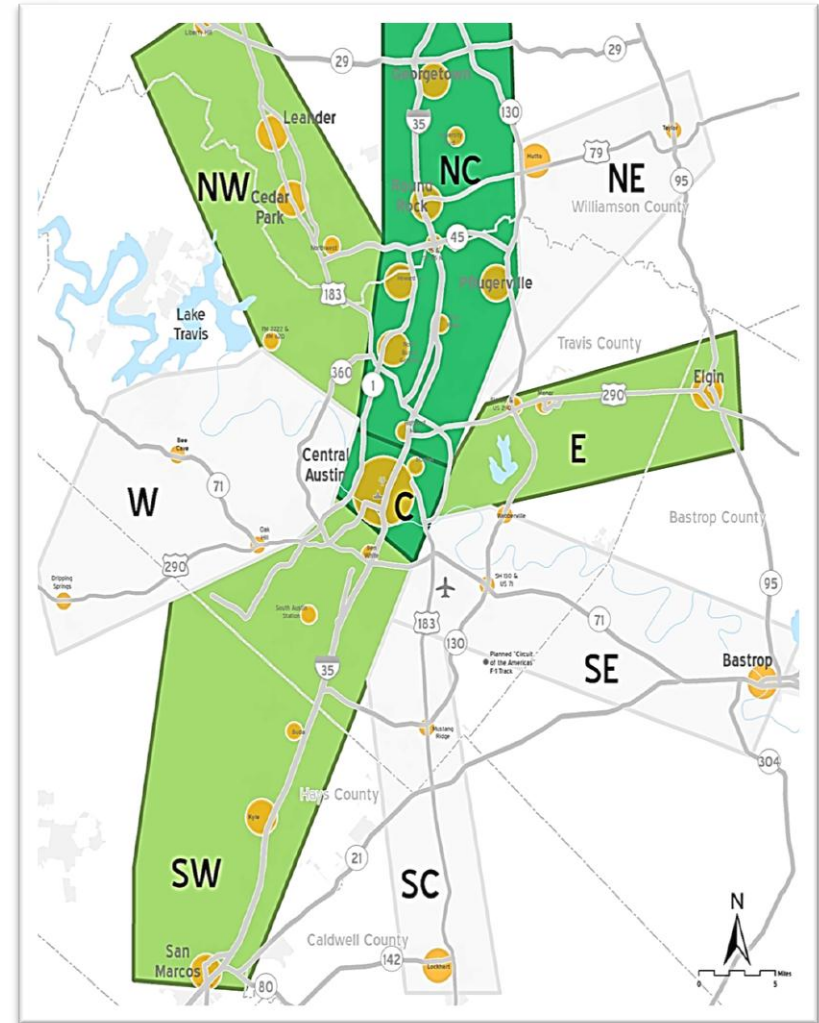






# “PROJECT CONNECT” - STATUS UPDATE

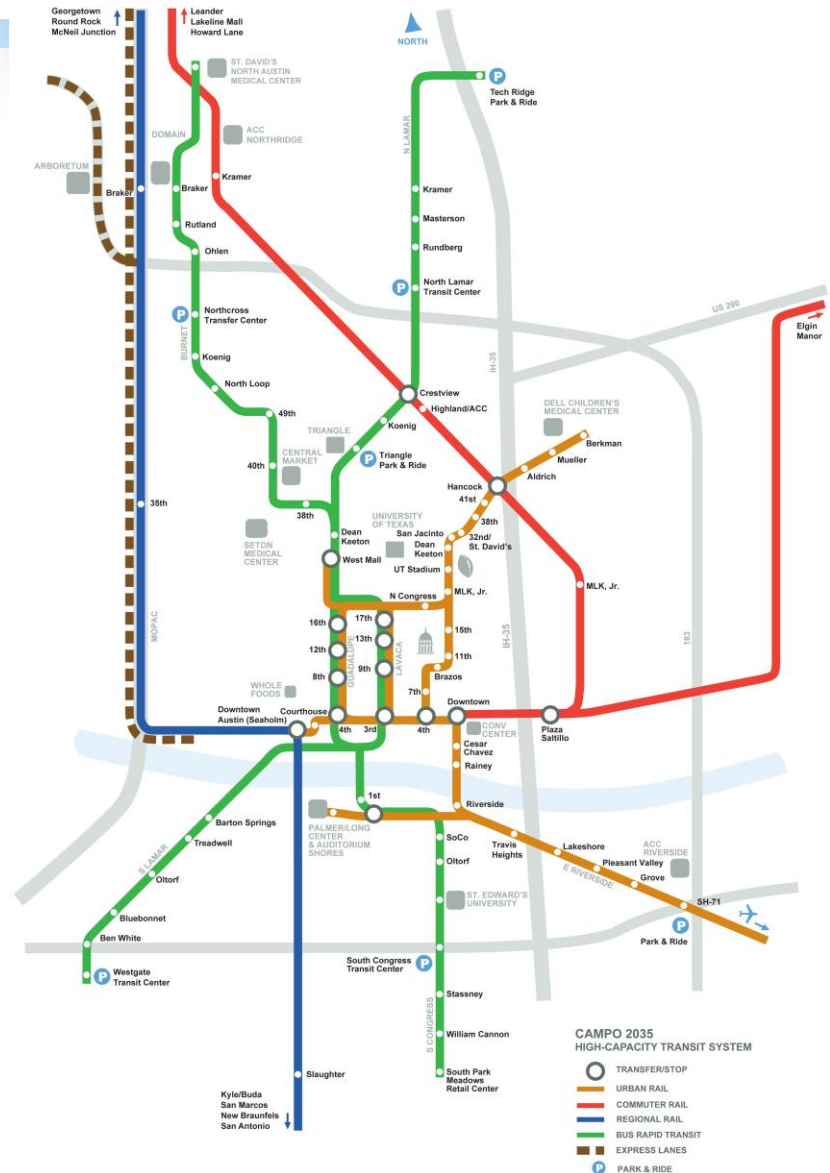
- **Defined High Capacity Transit Modes:**
  - Regional Rail
  - Commuter Rail
  - Urban Rail
  - Bus Rapid Transit (BRT)
  - Express Lanes
- **Evaluated High Capacity Transit Corridors:**
  - North Central, Northeast, East, Southeast, South Central, Southwest, West, Northwest, Central
- **CONCLUSIONS –**
  - *High priority Corridors:*
    - North Central, Central
  - *Medium-High priority Corridors:*
    - Northwest, East, Southwest





# A HIGH CAPACITY TRANSIT PLAN

- **Developing an updated High Capacity Transit System Plan**
  - Baseline system is CAMPO 2035 public transit Plan
- **One System Approach –user will perceive a seamless integrated system:**
  - Operations and schedules
  - Maintenance,
  - Fares and routing,
  - Customer service & information,
  - Management,
  - Future planning & design,
  - Facilities





# A HIGH CAPACITY TRANSIT PLAN

## CAMPO 2035 Regional Transit Plan

### Rail

LSTAR Regional  
& Commuter Rail

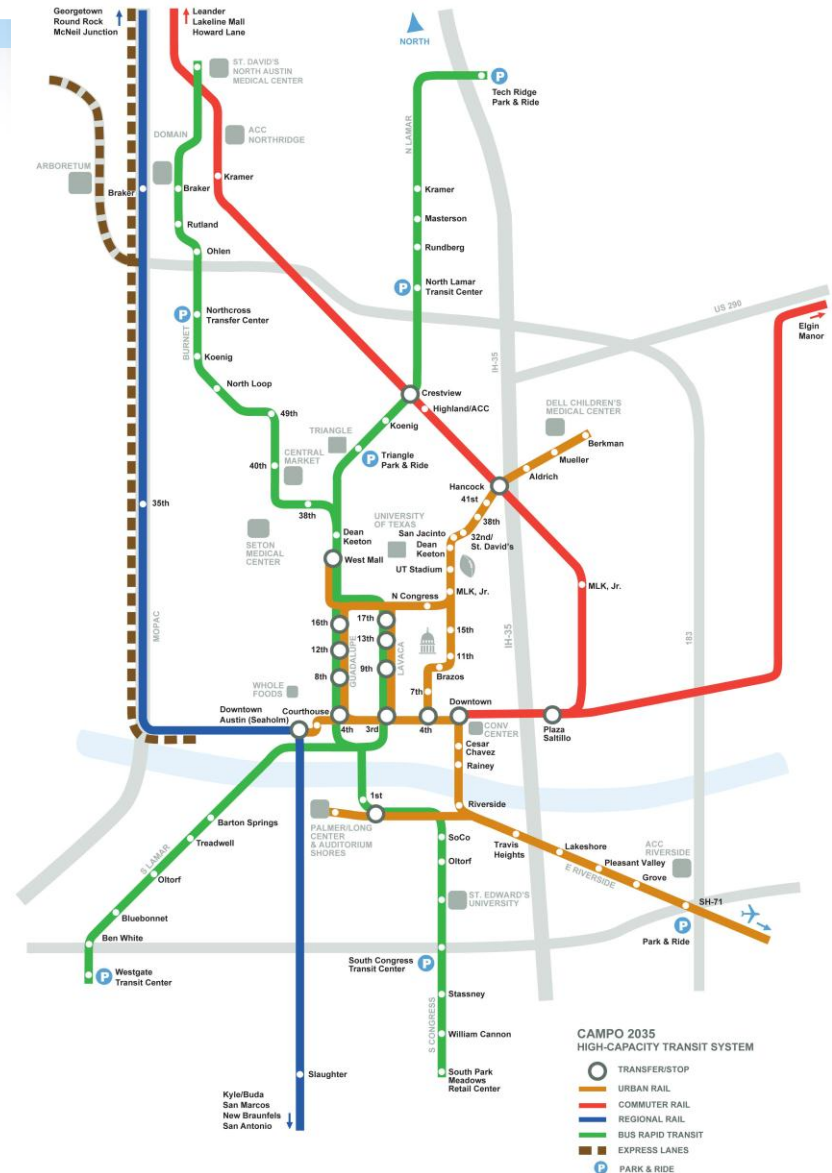
MetroRail  
Commuter Rail

Urban Rail Core  
Connections

### Bus

MetroRapid Bus

Managed Lanes  
with Transit



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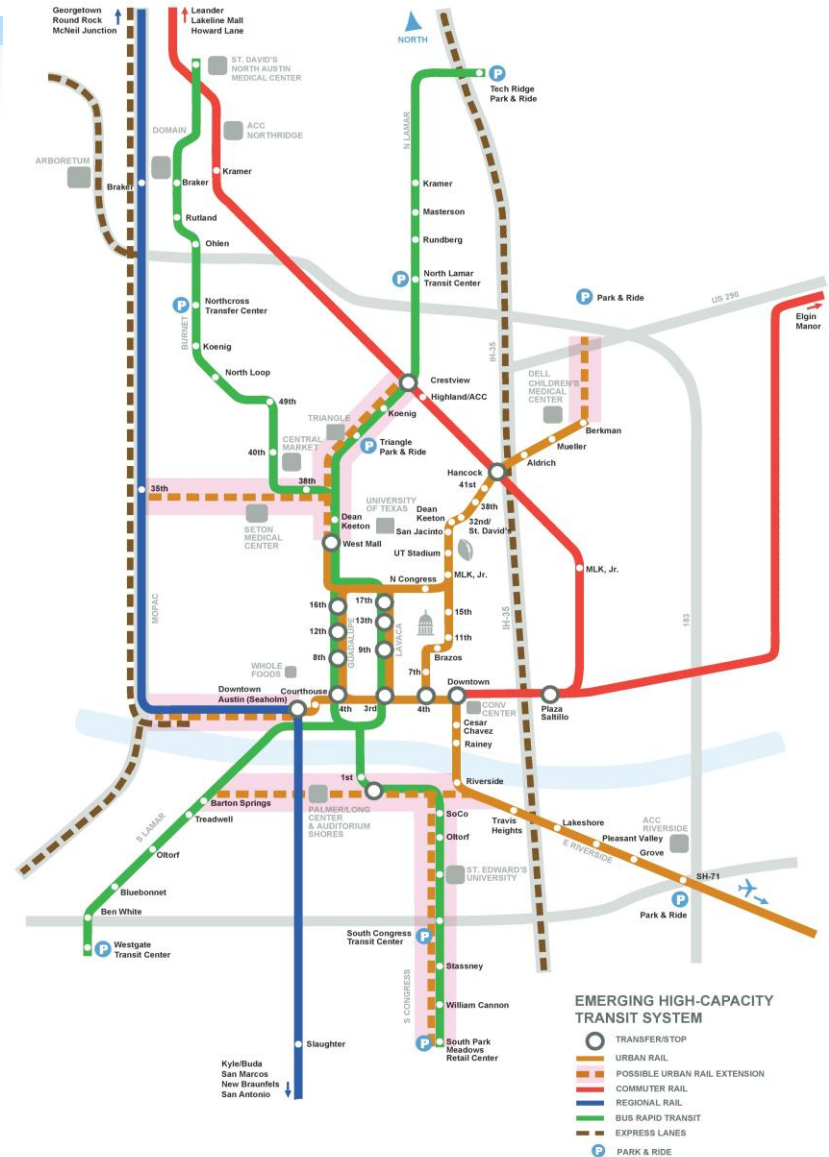
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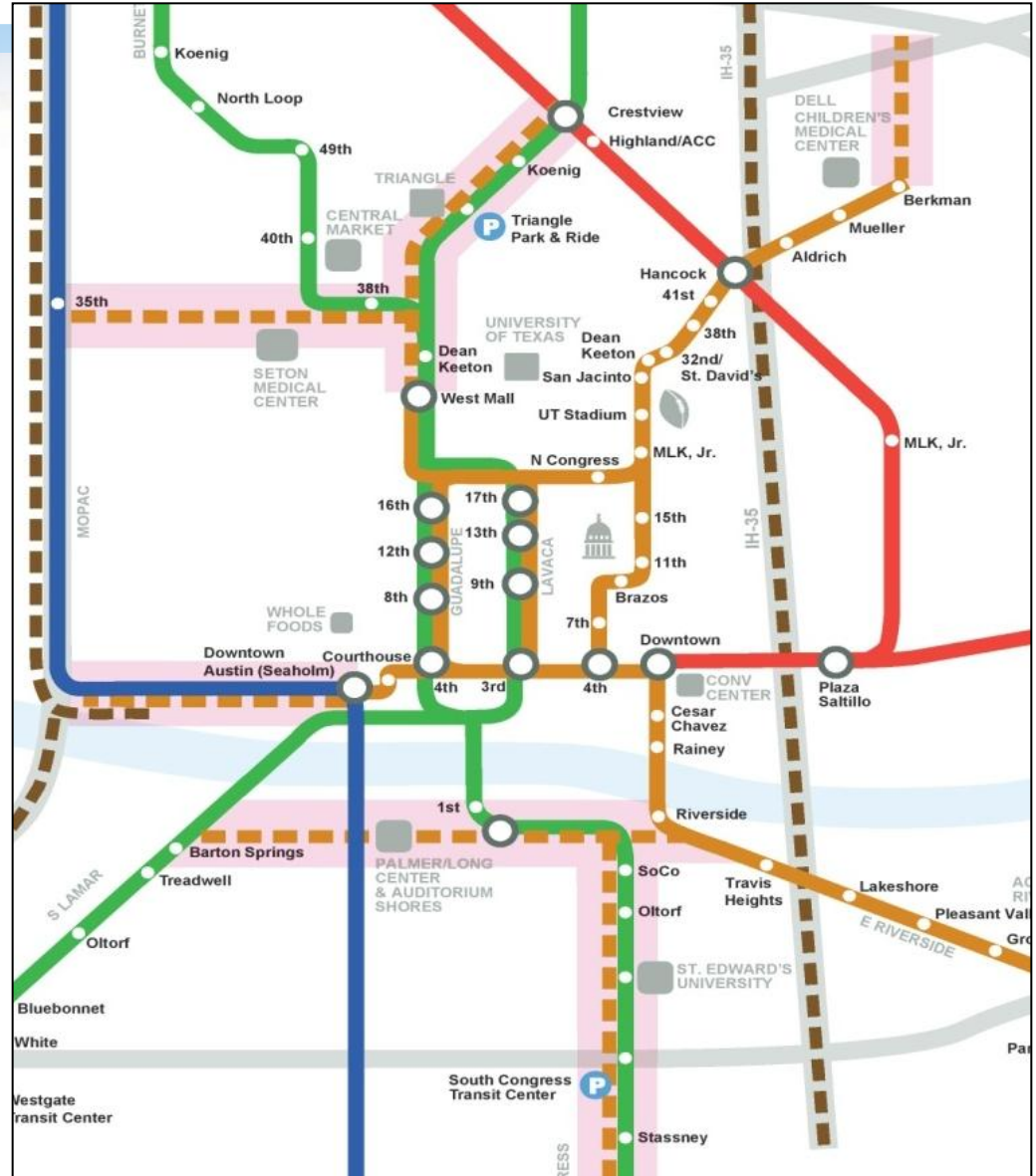
# Regional System Plan Allows for Urban Rail Expansion:

- 35<sup>th</sup> St./Mopac
- N. Lamar
- Berkman to US 290
- South Congress
- Barton Springs Rd
- Seaholm





- Urban Rail is the keystone within existing CAMPO Regional Transit Plan and the evolving system plan
- Connects core's employment to system (**commuter rail**, **rapid bus** and **regional rail**)
- Adds mobility capacity both north and south of regional core
- Serves existing and new travel demands



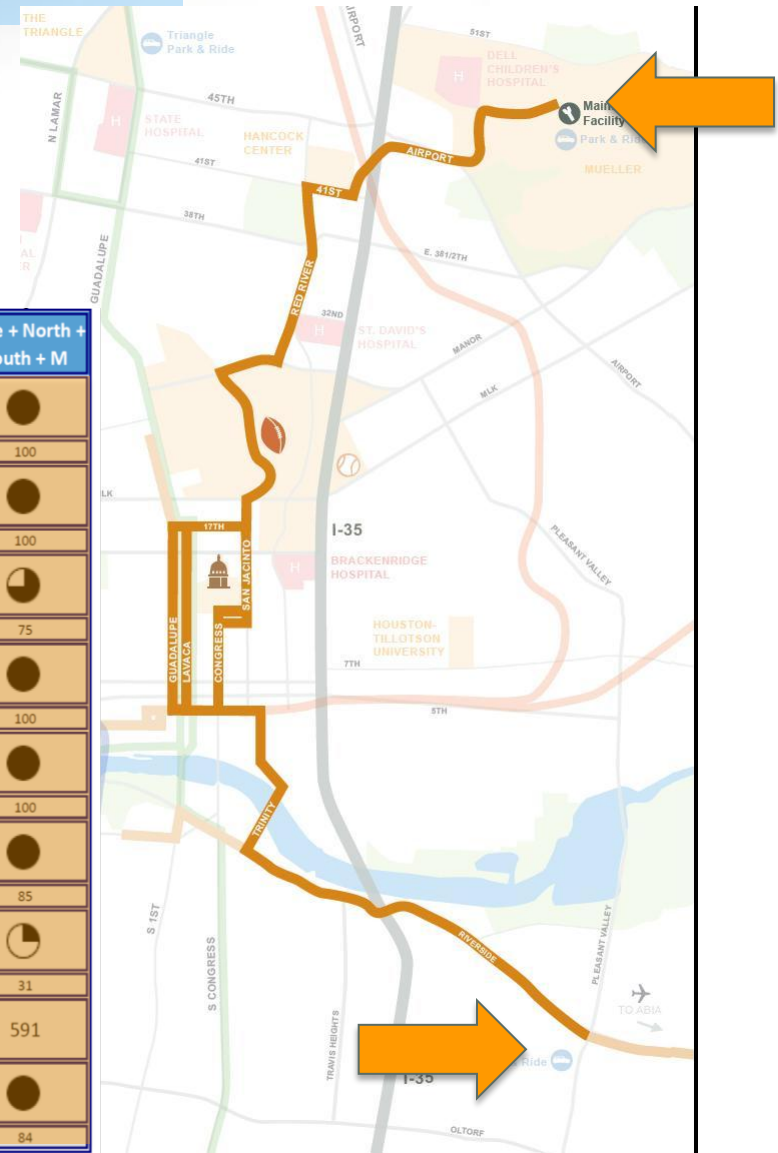


# URBAN RAIL: PRIORITY INVESTMENT

## Urban Rail Identified Priority Investment:

- Pleasant Valley to Mueller

Objective	Core	Core + North	Core + North + M	Core + South	Core + North + South	Core + North + South + M
<b>1.0 MOBILITY</b>						
Normalized Score	6	31	63	44	81	100
<b>2.0 ACTIVITY HUBS</b>						
Normalized Score	0	50	75	25	75	100
<b>3.0 REGIONAL HIGH-CAPACITY TRANSIT</b>						
Normalized Score	44	50	56	63	69	75
<b>4.0 CAPACITY</b>						
Normalized Score	0	50	75	50	100	100
<b>5.0 CITY GOALS</b>						
Normalized Score	25	50	75	75	75	100
<b>6.0 ECONOMIC INVESTMENT AND DEVELOPMENT</b>						
Normalized Score	10	30	75	30	60	85
<b>7.0 PRACTICAL CONSIDERATIONS</b>						
Normalized Score	69	63	88	25	25	31
<b>OVERALL - RAW SCORE</b>	154	324	506	311	485	591
<b>OVERALL - GRAPHICAL SCORE</b>						
Normalized Score	22	46	72	44	69	84







- Phase 1: Downtown to Mueller via west alignment
  - Connects to MetroRail in Downtown and at Hancock Ctr.
  - Permanent maintenance facility at Mueller
  - Serves CBD, Capitol Complex, UT





# URBAN RAIL: RECOMMENDED 2<sup>ND</sup> PHASE

## Recommended 2<sup>nd</sup> Phase:

- Phase 1: Downtown to Mueller via west alignment
  - Connects to MetroRail in Downtown and at Hancock Ctr.
  - Permanent maintenance facility at Mueller
  - Serves CBD, Capitol Complex, UT
- Phase 2: UT to Pleasant Valley via east alignment
  - Potential new capacity crossing river
  - Provides express routing capability to UT
  - Adds service to Riverside





Austin Urban Rail

# FINANCIAL PLAN



Jeffrey A. Parker  
& Associates, Inc.



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# JEFFREY A. PARKER & ASSOCIATES (JPA)

- **Independent financial consultant, founded in 1981 specializing in advising the public sector on transportation projects**
- **More than \$10 billion of transportation projects in the US under recent and current advisement**
  - Current clients include Port Authority of NY & NJ, Florida DOT, Georgia DOT, New York State DOT, District of Columbia DOT, Charlotte Area Transit System, BART
- **We are known for:**
  - Independent and balanced advice
  - Approaching each project without preconceived notions
  - Innovation and experience in non-traditional delivery
    - Groundbreaking work on Design-Build, DBOM and PPP transportation projects
    - Transit, Joint Development and Intermodal projects
  - Expertise in federal grant and loan programs





# FUNDING PLAN – NATIONAL TRENDS

- **Many Light Rail (LRT) projects advancing through FTA New Starts program and other Streetcars advanced by USDOT sustainability/livability agenda**
- **Projects sized on the availability of funds:**
  - Cities have larger networks planned, but segments built as funding available
- **Downtown streetcars often developed by a municipality with varied involvement of local transit agency**
- **Current generation in various stages of implementation/construction**





# FUNDING SOURCES – NATIONAL TRENDS

- **Almost all transit projects pursue Federal Transportation Agency (FTA) New Starts grants or other federal discretionary programs**
  - Typically, the single largest funding source
- **Typical local funding source for transit (consistent and long-term)**
  - Sales tax
  - Property tax
  - General revenues
- **Non-federal share is often a partnership of various entities providing multiple funding sources**
- **Value capture funding (TIFs and special assessments) has been discussed for many transit projects**
  - Limited use and typically directed to capital expenditures
  - Used on some station development
  - Portion of local share on some transit segments





# FTA NEW STARTS PROGRAM

- **Federal grant program for transit projects across country**
- **Highly competitive with intensive application process through multiple stages:**
  - Alternatives Analysis (AA) defines Locally Preferred Alternative (LPA)
  - Preliminary Engineering (PE) advances project design and NEPA completed
  - Final Design (FD) finalizes design, utility relocation and ROW acquisition can begin
  - Full Funding Grant Agreement (FFGA) multi-year federal funding appropriations are determined for construction of the project
- **Standard federal match is currently 50% of capital costs of project**
- **Funding levels subject to reauthorization of a new transportation bill and ongoing budget negotiations in Congress**







# LRT PROJECTS IN NEW STARTS

	Miles	Capital Cost Estimate (YOE m)	New Starts %	Phase	Entered PD/PE	Local Funding Sources
Mesa, AZ - Central Mesa LRT Extension	3.1	\$198	38%	PD (Small Starts)	2010	Local sales tax
Baltimore, MD - Red Line	14.5	\$2,219	50%	PE	2011	State Transportation Trust Fund
Charlotte, NC - Blue Line Extension	9.4	\$1,160	50%	PE -> FD	2007	State Transportation Trust Fund; Local sales tax bonds
Portland OR - Milwaukie Light Rail Project	7.3	\$1,490	50%	FD	2009	State Lottery Bonds; local general funds; payroll taxes
Minneapolis, MN - Central Corridor LRT	9.8	\$957	50%	FFGA	2006	State GO Bonds; local sales tax/property tax bonds
Salt Lake City, UT - Draper Transit Corridor	3.8	\$193	60%	FFGA	2009	Local sales tax
Seattle, WA - University Link LRT Extension	3.1	\$1,947	42%	FFGA	2005	Local taxes; sale of excess ROW





# OTHER PROJECTS

	Miles	Capital Cost Estimate (YOE m)	Federal Funding (YOE m)	Federal %	Federal Program	Status	Local Share
Detroit, MI (LRT)	3.4	\$143	\$25	18%	TIGER I Potentially New Starts	Planning	Business and Civic Leaders Fundraising
Charlotte, NC (Streetcar)	1.5	\$40	\$25	63%	Urban Circulator	Planning	Local bonds property/sales tax
St. Louis, MO (Streetcar)	2.0	\$43	\$25	50%	Urban Circulator	Planning	TBD, \$3.5m in TIF bonding possible
New Orleans, LA (Streetcar)	1.5	\$45	\$45	100%	TIGER I	Construction	
Tucson, AZ (Streetcar)	3.9	\$150	\$63	42%	TIGER I	Construction	Local sales tax
Cincinnati, OH (Streetcar)	4.0	\$110	\$40	36%	TIGER III, Urban Circulator	Construction	Local bonds - considering TIFs
Atlanta, GA (Streetcar)	2.7	\$72	\$48	67%	TIGER II	Construction	Downtown Improvement District





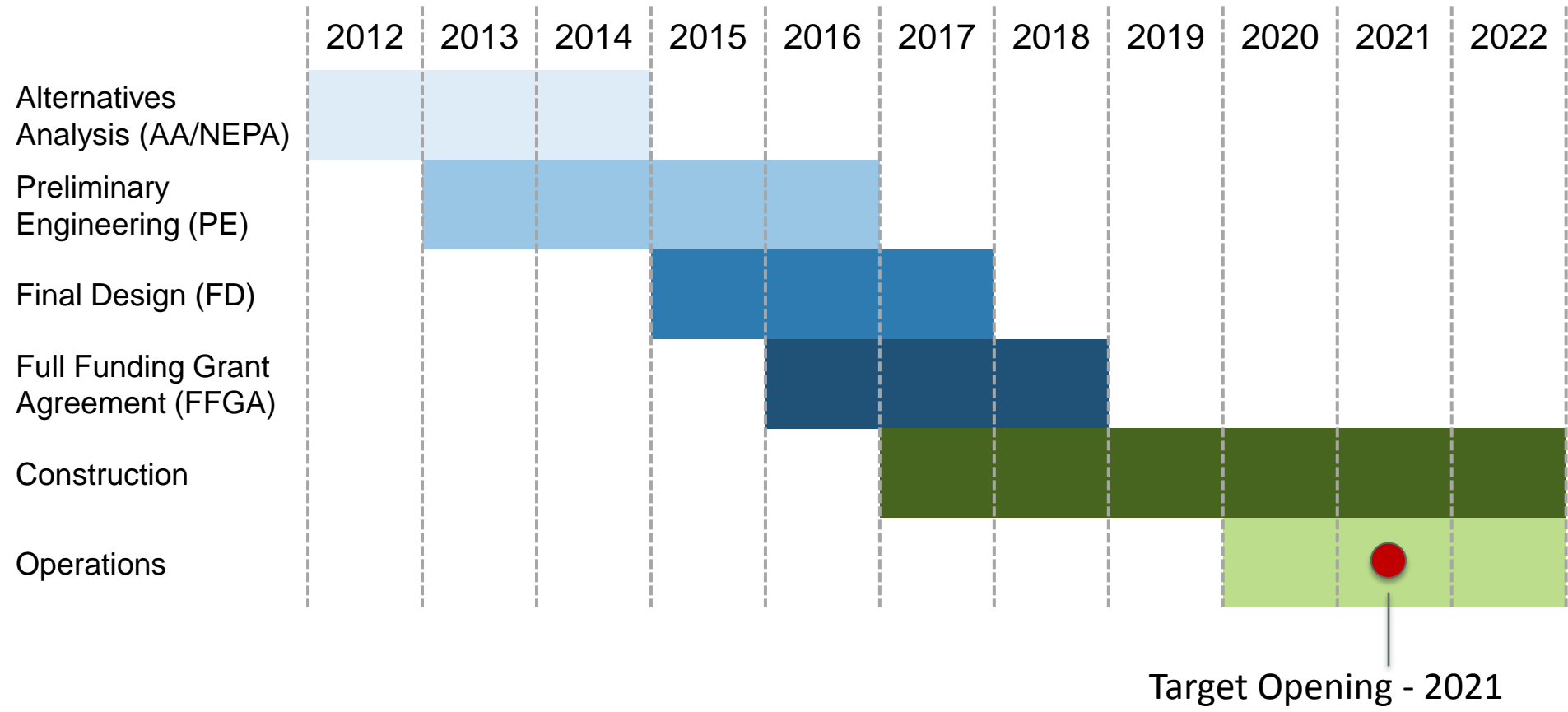
# COST MODEL ASSUMPTIONS

- **Capital Funding Sources Evaluated**
  - General Obligation Bonds
  - FTA New Starts
  - Remaining “CMTA 1/4 cent” program
  - STP-MM existing grant funds
  - Tax Increment Financing
  - *use of TIFIA financing*
- **Assumes operations begin in 2021**





# CAPITAL COST MODEL ASSUMPTIONS







# PHASE I URBAN RAIL SYSTEM CAPITAL COSTS

- **First investment: \$550m**
  - Downtown Core (River to UT on Lavaca/Guadalupe)
  - North to Red Line on Red River
  - Mueller Extension





# CAPITAL FUNDING PHASE 1

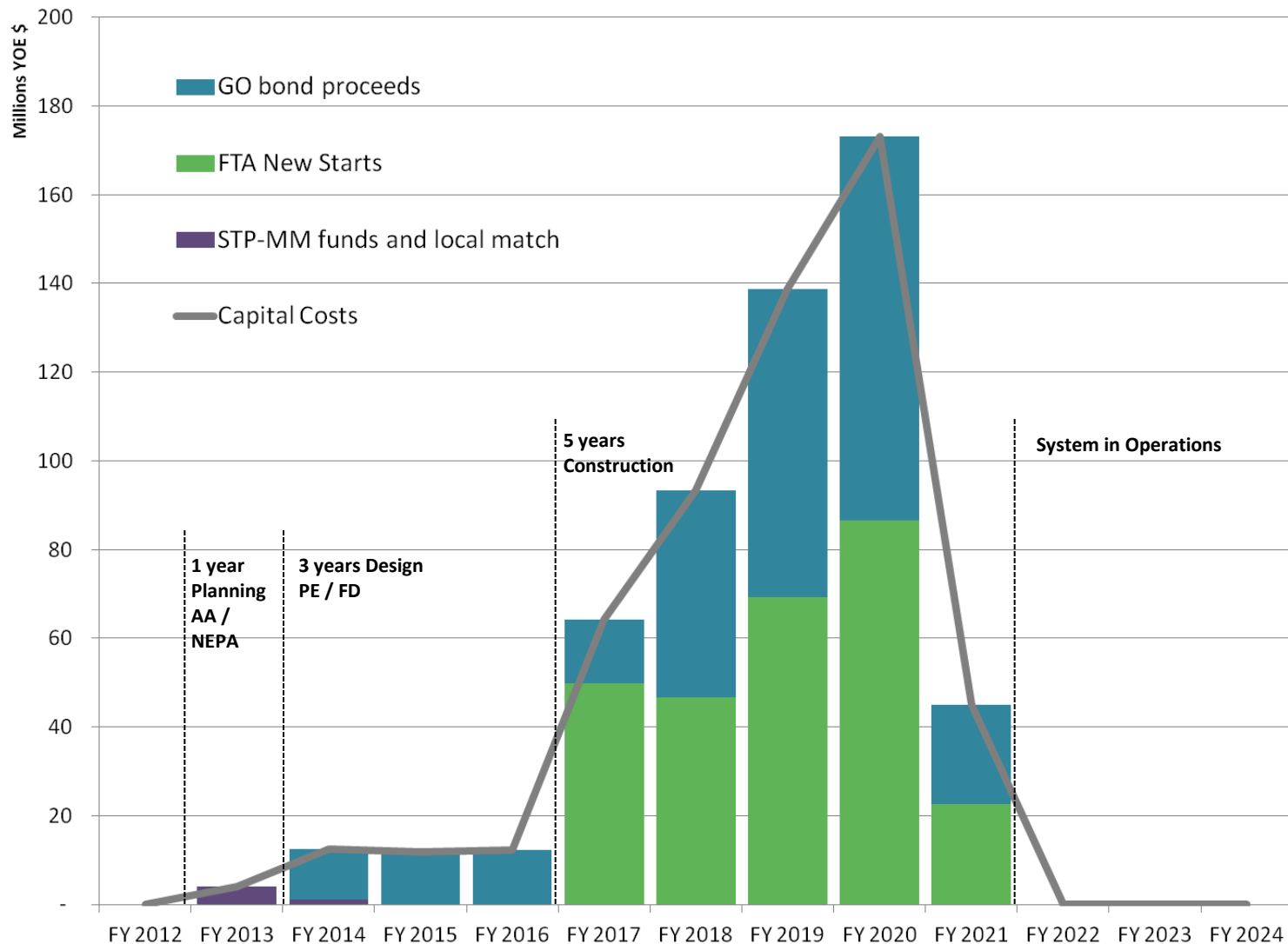
	YOE \$ Millions	Notes
FTA New Starts Grants	275	50% of capital costs
City General Obligation (GO) Bonds	275	Local share
<b>Total</b>	<b>550</b>	

STP-MM grants funds are available for Alternative Analysis (AA) development and the NEPA process





# CAPITAL FUNDING SCHEDULE PHASE 1





# URBAN RAIL FIRST INVESTMENT SOURCES – FUTURE CONSIDERATION

- **Current TIF estimates would only provide minimal relief to GO Debt needs**
  - Red River corridor
- **Potential TIF areas to consider for capital costs**
  - Riverside/Pleasant Valley







# URBAN RAIL FIRST INVESTMENT SOURCES – FUTURE CONSIDERATION

- **Participation by other entities uncertain at this time**
  - TIFs
  - In-kind ROW donations
  - University/State, other stakeholders
  - Ancillary revenues
- **TIFIA financing not applicable to Urban Rail**
  - limited commitment of local revenues would not take advantage of program benefits fully (i.e. repayment of 33% of project cost not possible)
  - explore as possibility if assumptions change





# O&M MODEL ASSUMPTIONS

- **Funding Sources Considered**

## O&M

- Farebox revenue
- Sales Tax
- Property Tax
- Incremental FTA formula grants
- Public Improvement Districts (PID)
- PID in-lieu
- Parking revenue
- Ancillary revenues

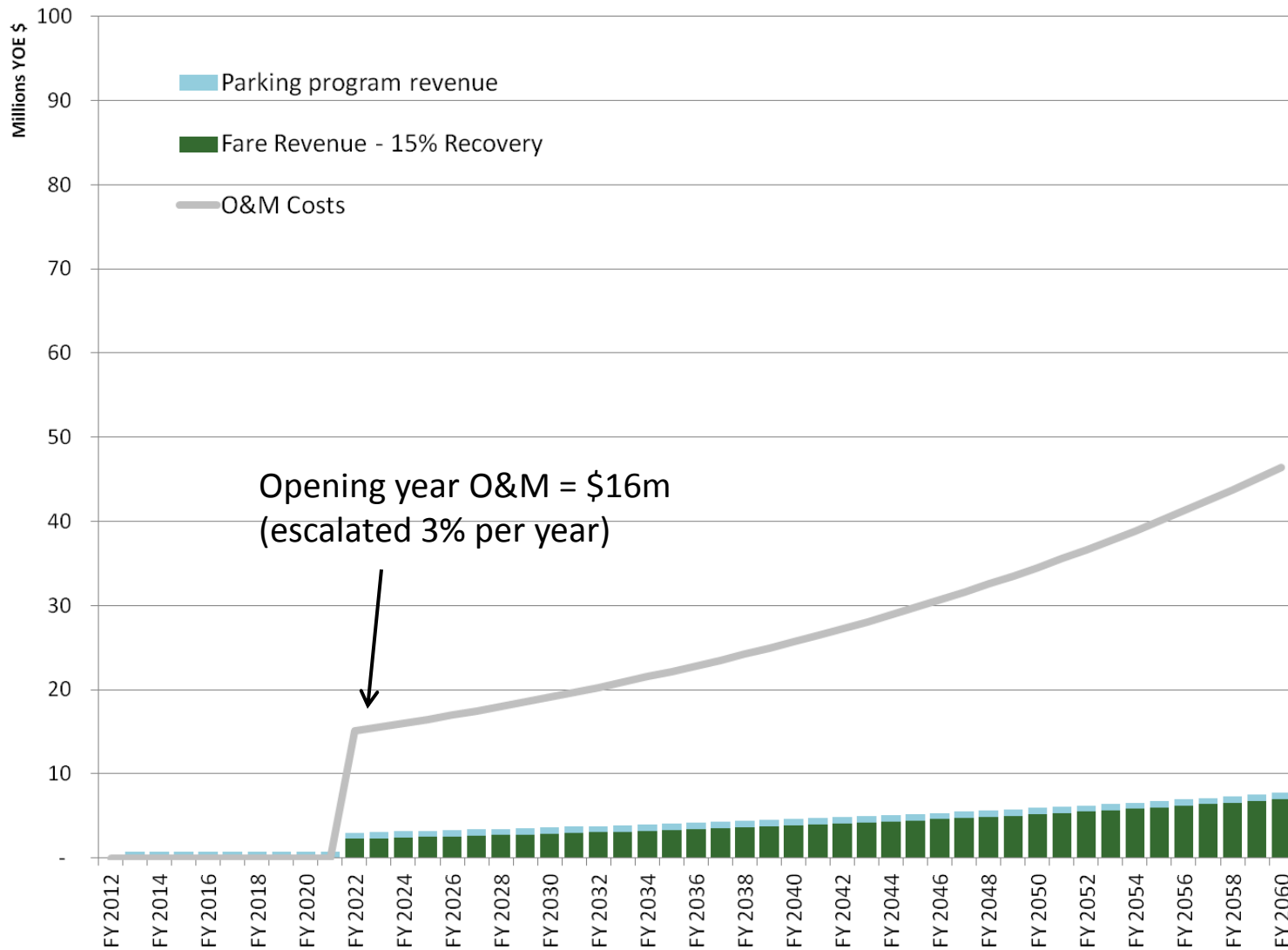
## Assumptions

- Opening year 2021
- O&M cost estimates assumed to grow 3% per year
- Fare recovery rate estimated at 15%





# O&M FUNDING FIRST INVESTMENT





# O&M FUNDING - SHORTFALL: OTHER REVENUE POSSIBILITIES

- **Special assessments**
  - Downtown Austin Alliance PID
  - PIDs in-lieu from other local stakeholders (City, County, State, University)
  - New PID instituted on Red River Corridor
- **Contribution from existing CMTA Sales Tax revenue**
- **Incremental FTA formula funds**
- **Contribution from City's General Fund**
- **Ancillary revenues (advertising, naming rights, etc.)**
- **Other new fees/taxes that may require legislative action**







- **Impact of Proposed Changes to New Starts Rules**
  - FTA will no longer be focused on the length of the trip but on number of riders
  - Elevation of land use and economic development in weighting of criteria
  - Existing and proposed development, destinations and events will drive ridership
- **Project is in the "sweet spot" of proposed rule that should go to final by end of the year**
- **New Starts has grown even as other programs in the Transportation, Housing and Urban Development bill have remained steady**
- **Both House and Senate bills assume that Final Design decision step is eliminated**
  - Key phase is entry into Project Development
  - Facilitates use of Design-Build as a project delivery approach





## NEXT STEPS

- **Council Work Session – May 29**
  - Organizational details
  - Alignment details
- **Overall bond program discussion**
  - June 5 and June 25
  - August 7 Final Session before calling for election on August 16

