



# Introduction to FTA's Small Starts Program

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November 8, 2006

Rail~Volution



# SAFETEA-LU Rating Process

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- Ratings - five Levels
- Must be Medium
- Simplified Criteria
  - Cost Effectiveness: Calculated Based on Estimates at Initiation of Revenue Service
  - Land Use
  - Local Economic Development
  - Financial Commitment: During Project Development Timetable

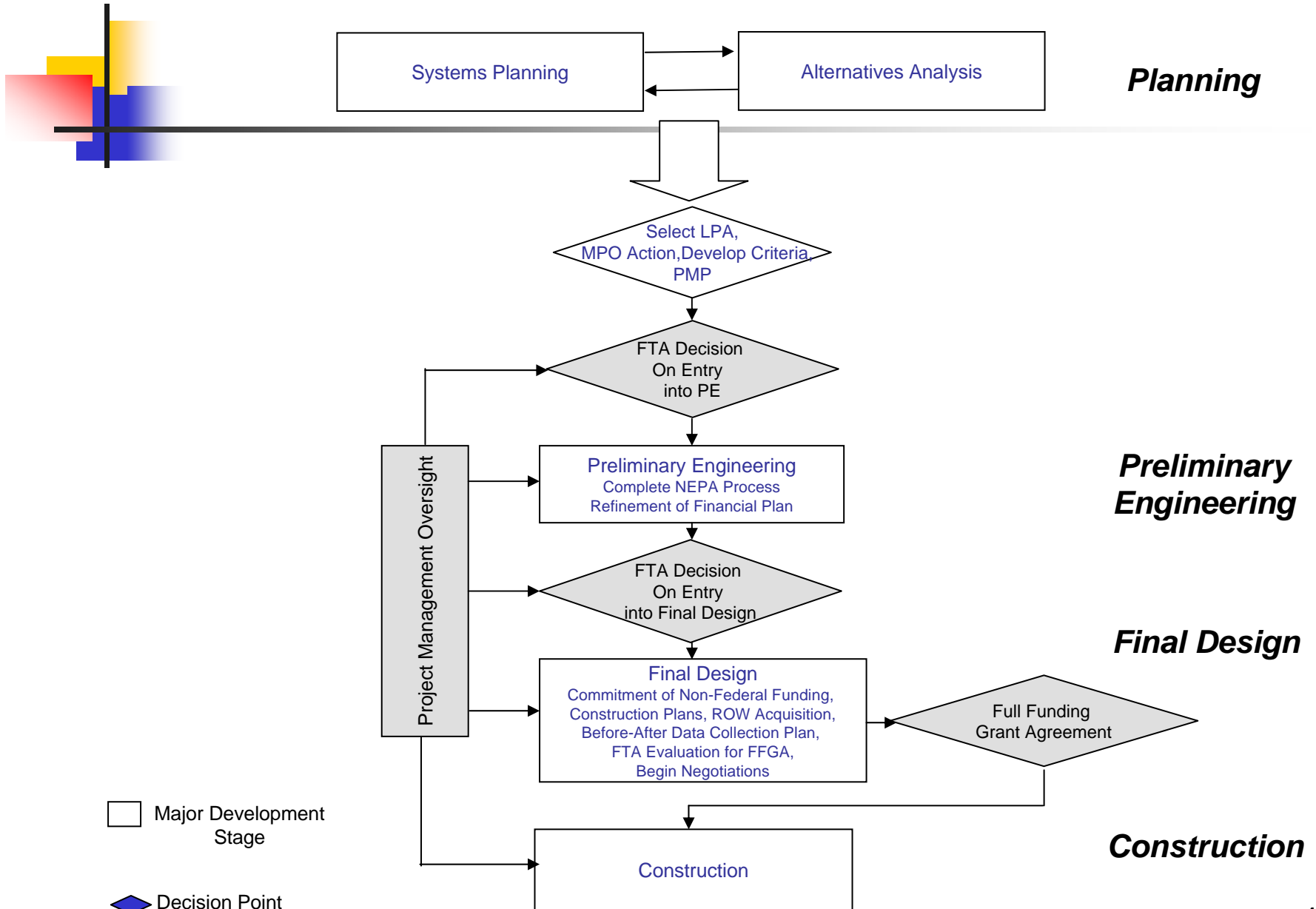


# Interim Guidance: Philosophy

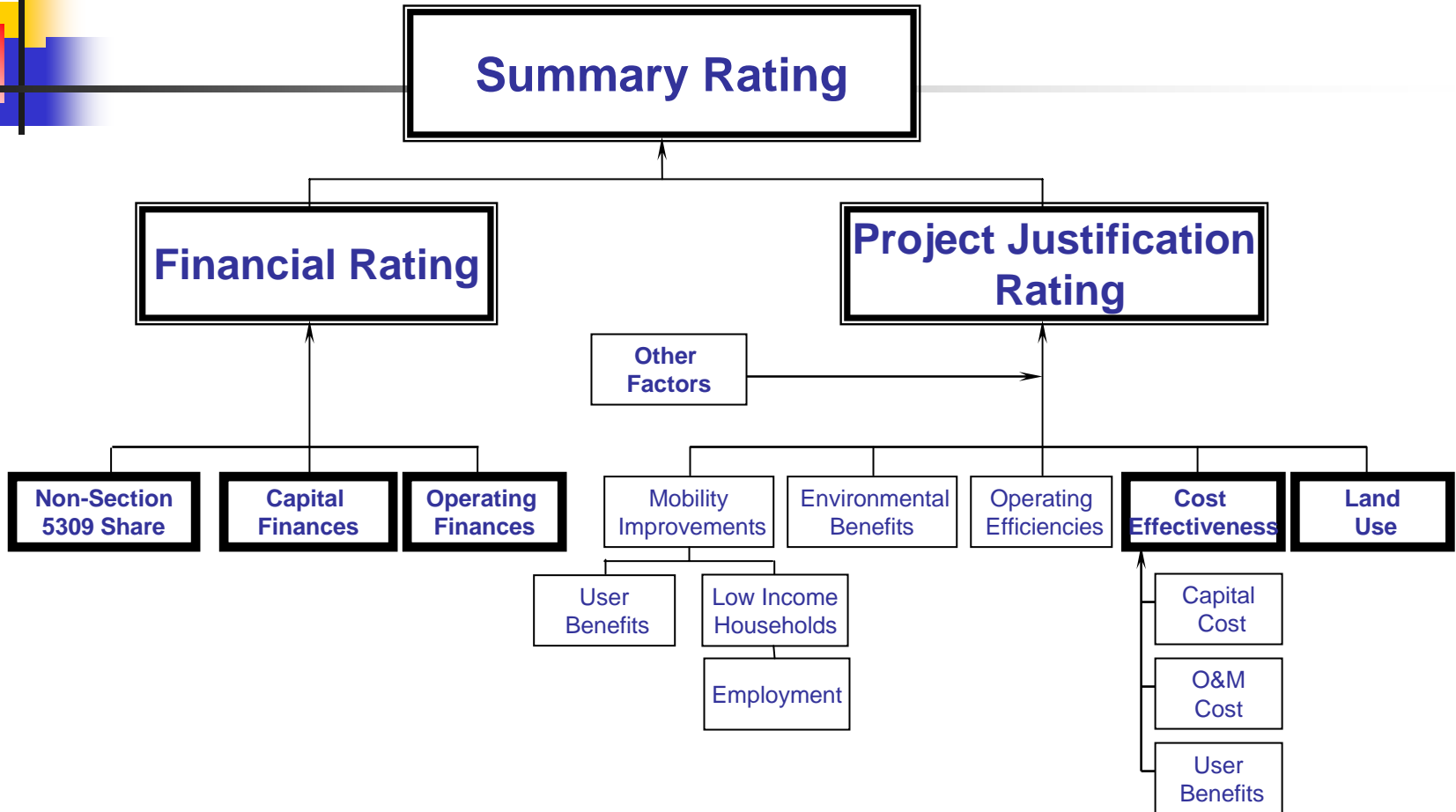
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- Not required by statute but wanted to get something out so could begin processing grants in October 2007
- Have projects for inclusion in the FY2008 President's Budget
- Show Congress that there is a pipeline
- Rely on existing New Starts process until could vet changes in a rulemaking, except where could streamline

# New Starts Planning and Project Development Process



# The FTA New Starts Evaluation and Rating Framework



## Minimum Project Development Requirements:





# Interim Guidance: Eligibility

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- Total Cost < \$250M **and** 5309 funds < \$75M (YOE)
- Require 50% dedicated ROW **or** corridor based bus improvements
  - Substantial stations
  - Signal Priority/Preemption
  - Low Floor Buses or level boarding
  - Branding
  - 10 minute peak/15 minute off peak for 14 hours a day
- Created Very Small Starts category
  - Total \$50M, \$3M/mile excluding vehicles, 3,000 riders
- Exempt projects continue or can apply as a SS



# Interim Guidance: Planning

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- Alternatives Analysis
  - Small Starts must complete a simplified but traditional AA
  - Very Small Starts – AA required but can demonstrate more easily
- Baseline Alternative
  - Small Starts likely to be a VSS
  - VSS, if no guideway, will be the No Build

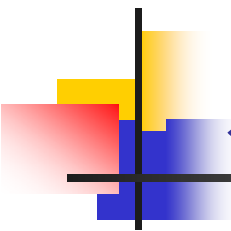


# Interim Guidance: Rating Criteria

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- accurate indicators of the performance of proposed projects
- readily computed by project sponsors
- transit-mode-neutral
- free of inherent biases that would distort the level playing field
- sensitive to their scale and complexity of the project





# Interim Guidance: Project Justification Criteria

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- Cost Effectiveness
  - opening year
  - Will multiple by 1.5 for 20 year forecast
  - Do not need to use 4-step model
- Land Use – simplified version of New Starts
- Economic Development – Other Factor
  - Provide any supporting documentation
- Reliability of cost and ridership estimates
- VSS are rated medium if meet criteria



# Interim Guidance: Financial Commitment

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- Same as New Starts except opening year
- Simplified submittal rated “medium” if
  - Reasonable plan to secure funds
  - Additional operating cost is less than 5% of overall budget
  - Agency is in reasonably good financial condition



# Interim Guidance: Entry into Project Development

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- Project must be rated “medium” overall for entry into Project Development
- No separate requirement for final design approval



# Interim Guidance: PCGA

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- Similar to FFGA but simplified terms and conditions
- Small Starts share set at execution
- Grantee agrees to revenue operations date and to fund all cost overruns
- Grantee must conduct a simplified B&A Study within 12 months of opening
- Can receive multi-year funding
- Subject to 60 day Congressional Review



# 2008 Submittals

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- Applications were due September 15
- Received 12 applications
- Four were complete
  - Processing approval for entry into project development
  - Will be listed in the February “New Starts Report”
- Working with other applicants to correct deficiencies and approve into project development as soon as possible



# Small Starts Deficiencies

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- Did not meet the definition of a small start
  - New station to serve existing express bus corridor or an intermodal terminal
  - Upgrades to existing “premium”/BRT service rather than truly new service
- Eligible but incomplete documentation – we intend to work with sponsors of these projects over the next couple of months to improve their requests



# Very Small Starts Deficiencies

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- Projects did not submit information sufficient to demonstrate eligibility
  - No supporting information that existing ridership was sufficient
  - Project scope lacked a key attribute (i.e. level boarding, system branding, etc.)
  - Project cost was more than \$3M a mile.



# Observations

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- All but one project requested 80% funding
- No project submitted information on Economic Development
- Completed applications are for really good projects (VSS or SS with \$8 CEI)





# Charge to Small Starts Applicants

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- The door is open, can apply anytime for entry into project development
- Follow the guidance, call us if unclear
- Get as many projects as possible in the pipeline before next summer to demonstrate to Congress the need for the program
- NPRM out in early 2007 – will be changes
- “All we are saying is give us a chance” to give yourself a chance