Introduction to FTA’s Small Starts Program

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November 8, 2006
Rail~Volution
SAFETEA-LU Rating Process

- 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

- 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

- **Planning**
  - Systems Planning
  - Alternatives Analysis
  - Select LPA, MPO Action, Develop Criteria, PMP
  - FTA Decision on Entry into PE

- **Preliminary Engineering**
  - Preliminary Engineering
    - Complete NEPA Process
    - Refinement of Financial Plan
  - FTA Decision on Entry into Final Design

- **Final Design**
  - Final Design
    - Commitment of Non-Federal Funding, Construction Plans, ROW Acquisition, Before-After Data Collection Plan, FTA Evaluation for FFGA, Begin Negotiations
  - Full Funding Grant Agreement

- **Construction**
  - Construction

- **Decision Points**
  - Major Development Stage
  - Decision Point
Interim Guidance: Eligibility

- Total Cost < $250M \textbf{and} 5309 funds < $75M (YOE)
- Require 50% dedicated ROW \textbf{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

- 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

- 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

- 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

- 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

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

- 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

- 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

- 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

- 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

- 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

- 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