Streetcar Primer: Funding
Rail-Volution
October 20, 2010
Project Eligibility

• New Starts
  – Projects more than $250 M in project cost and seeking more than $75 million in Federal New Starts funds
    • 80/20 match but most localities overmatch

• Small Starts
  – Less than $250 M in total cost and seeking less than $75 M in small start monies – 80/20 match

• Exempt
  – Projects seeking less than $25 million eligible and not subject to project evaluation and rating process
Funding Availability for Streetcars

- **New Starts/Small Starts**
  - Total of $2 billion in FY 2010
  - Of the above, $200 million for Small Starts – no streetcar projects

- **TIGER I Grants**
  - Tucson - $63 M
  - New Orleans - $45 M
  - Detroit - $25 M
  - Dallas - $23 M

- **Urban Circulators – unearmarked FY 08 and FY 09 monies**
  - St. Louis Loop Trolley - $24.99 M
  - Charlotte - $24.99 M
  - Cincinnati - $24.99 M
  - Fort Worth - $24.99 M
  - Dallas - Olive/St. Paul Street Loop - $4.9 M
FTA and New Starts Process

• FTA approval is required at each decision point
  – AA to Preliminary Engineering (PE)
  – PE to Final Design (FD)
  – FD to FFGA

• Must satisfy New Starts criteria at each phase of project development to be eligible to advance
  – Any project must be evaluated to determine if it will satisfy FTA review criteria and be eligible to advance
  – Any project that seeks to move forward to PE must be competitive in New Starts process
FTA and Small Starts Process

• FTA approval is required at each decision point
  – AA to Project Development (PD)
  – PD to Project Construction Grant Agreement (PCGA)

• Must satisfy Small Starts criteria at each phase of project development to be eligible to advance
  – Any project must be evaluated to determine if it will satisfy FTA review criteria and be eligible to advance
  – Any project that seeks to move forward to PD must be competitive in Small Starts process
New Starts Project Development Process

- Project Development: Typically 6-12 Years

- Alternatives Analysis: 1-2 years
- Preliminary Engineering: 2-3 years
- Final Design: 3-7 years
- Construction: ~100 AA Studies
- Operations: 14 PE Projects
- FTA Approval: 11 FD Projects
- Required for Full Funding Grant Agreement (FFGA): 8 FFGA Projects

Holland & Knight
Small Starts Project Development Process

- Project Development: Typically 3-5 Years
Statutory New Starts Project Evaluation and Rating Framework

Summary Rating

Project Justification Rating

Financial Rating

Other Factors

Economic Development (20%)
Mobility Improvements (20%)
Environmental Benefits (10%)
Operating Efficiencies (10%)
Cost Effectiveness (20%)
Land Use (20%)

Non-Section 5309 Share (20%)
Capital Finances (50%)
Operating Finances (30%)
Why No Streetcar Projects Funded in New Starts?

• Cost Effectiveness
  – Focus on travel time savings favors greater distances between stations and faster moving technology
  – New Starts program is built around the peak hour trip
  – Current travel demand models unable to capture walk and bike trip

• Baseline Alternative
  – FTA requires use of same land use and economic development assumptions for both Build and Baseline
  – Process assumes that streetcars and TSM are neutral as to their development impact

• Project Benefits
  – Process captures project cost but fails to capture broader community benefits from streetcar investment – improvement in air quality, reduced energy consumption and improve quality of life

• Program focused on “peak hour” while communities also want to shape land use/economic development and redevelop around project