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Transportation Task Force Briefing

April 7, 2008

Topics to be Covered

- Washington, DC Update
- Challenges Facing Surface Transportation Bill
- Overview of FTA New Starts/Small Starts Process
- Current Status of New Starts/Small Starts Program
- Implications for New Starts/Small Starts Program

FY 08 Recap

- FY 08 Omnibus Bill reduced New Starts funding from \$1.7 billion to \$1.57 billion
 - Cut necessary to get bill signed by President
- Congress denied FTA funding to implement Proposed Rule for New Starts program
 - Objected to emphasis on cost effectiveness and failure to provide equal weight to land use and economic development
 - Objected to proposed changes to add eligibility for HOT lanes that was not in SAFETEA-LU

What's in Store for FY 09

- President proposed cut of more than \$200 million to Federal Transit Program
 - Largely in New Starts/Small Starts program
- Won't see final FY 09 THUD bill until after November elections
- New Starts/Small Starts Proposed Rule
 - FTA will issue FY 10 Guidance in Spring 2008 but not clear if it will reissue proposed rule

Next Surface Transportation Authorization

- Will it pass by September 30, 2009 – Not Likely
 - House is holding hearings and would like to get bill done by September 30, 2009
 - Senate hasn't committed to this schedule
 - New Administration and vexing nature of funding make passage by October 1, 2009 improbable
- Highway Trust Fund is in Serious Trouble
 - Highway Trust Fund faces substantial deficit in FY 2010
 - Mass Transit Account reaches deficit in FY 2011
- Crisis Creates Challenges and Opportunities

Next Surface Transportation Authorization

- Redefining the “Federal Interest”
 - SAFETEA-LU – Defined by Earmarks, i.e., “Bridge to Nowhere”
 - Green-TEA? – Climate Change and Reducing Dependency on Foreign Oil
 - Metro Economies? – More than 60 percent of people, jobs and goods generated in nation’s largest metro areas
 - Goods movement? – Freight mobility and resuscitate “short seas shipping”
 - Reauthorize Gallatin Commission? – need to invest in deteriorating infrastructure

Next Surface Transportation Authorization

- Funding
 - Surface Transportation Commission proposed 25-40 cents/gallon gas tax increase and indexing
 - Gas tax is not sustainable with CAFÉ standards increasing to 35 mph and increasing use of alternate fuel vehicles
 - VMT tax, pay-as-you-go insurance, private sector funding?
- Simplifying Program Structure and Project Delivery
 - Cut 160+ programs down to 10?
 - Streamline project delivery and NEPA process
- Change highway-transit split or make all monies flexible?
- Enhanced role for metropolitan planning organizations?

Next Surface Transportation Authorization

- Be open to alternative project delivery - Design, Bid, Build; CM at Risk, etc.
- Pursue value capture at station areas through public-private partnerships and joint development
- New sources of money may be available as a result of climate change and focus on metropolitan areas
- Expect changes to FTA New Starts guidance and rulemaking to simplify project development and advancement

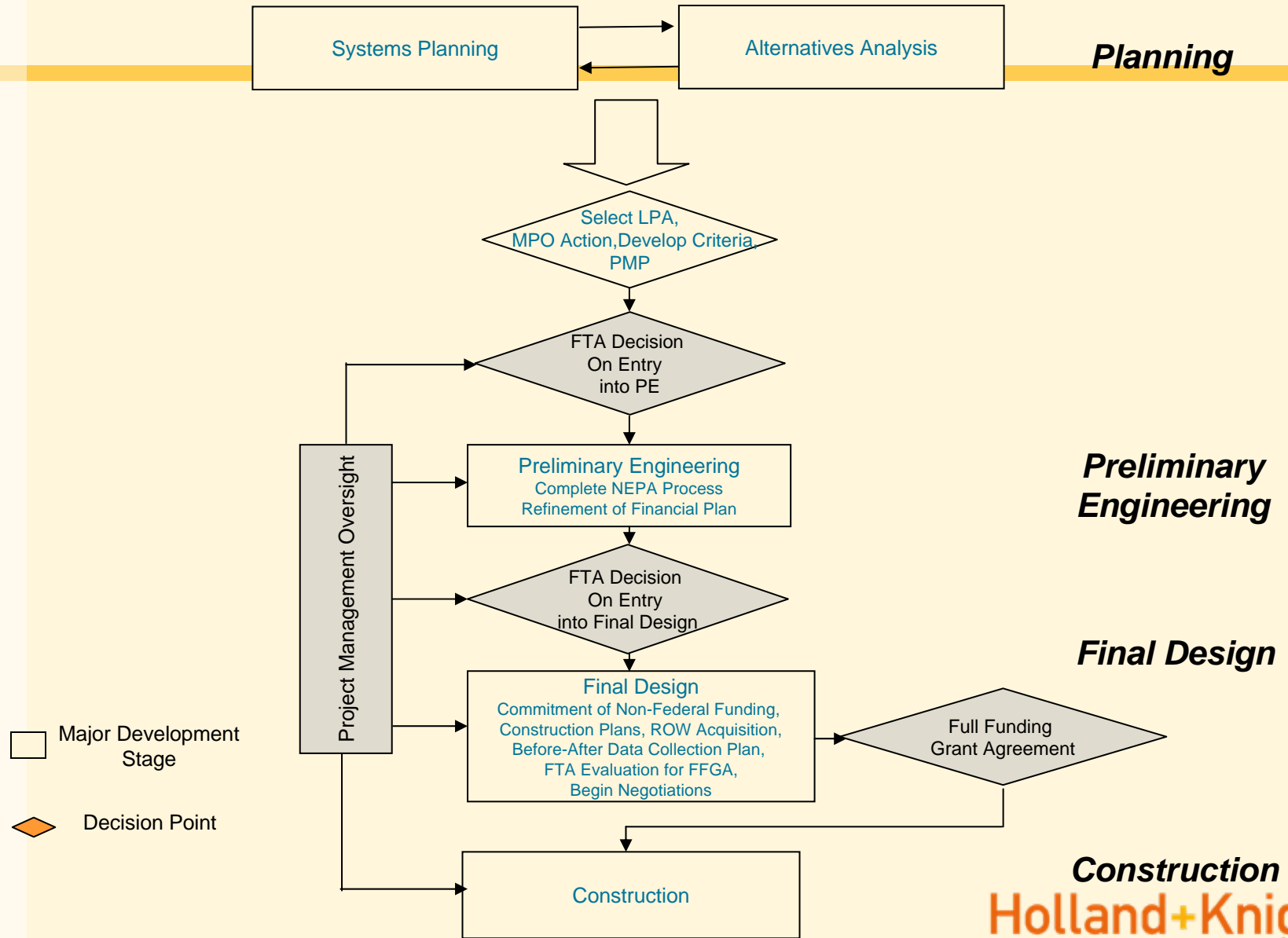
FTA and New Starts Process

- 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 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 Planning and Project Development Process



Advocate of Thoughtful Planning

- Necessary to produce projects that merit local and Federal support
 - New Starts/Small Starts program is highly competitive and FTA review is very rigorous
 - FTA approval necessary to advance through each stage of development
- Making legacy investment that will reshape region
 - Corridor selected must link jobs, housing and present or planned development and generate ridership
- If done right, can provide impetus and establish public support for future expansions

Key Decisions for Each Phase of Project Development

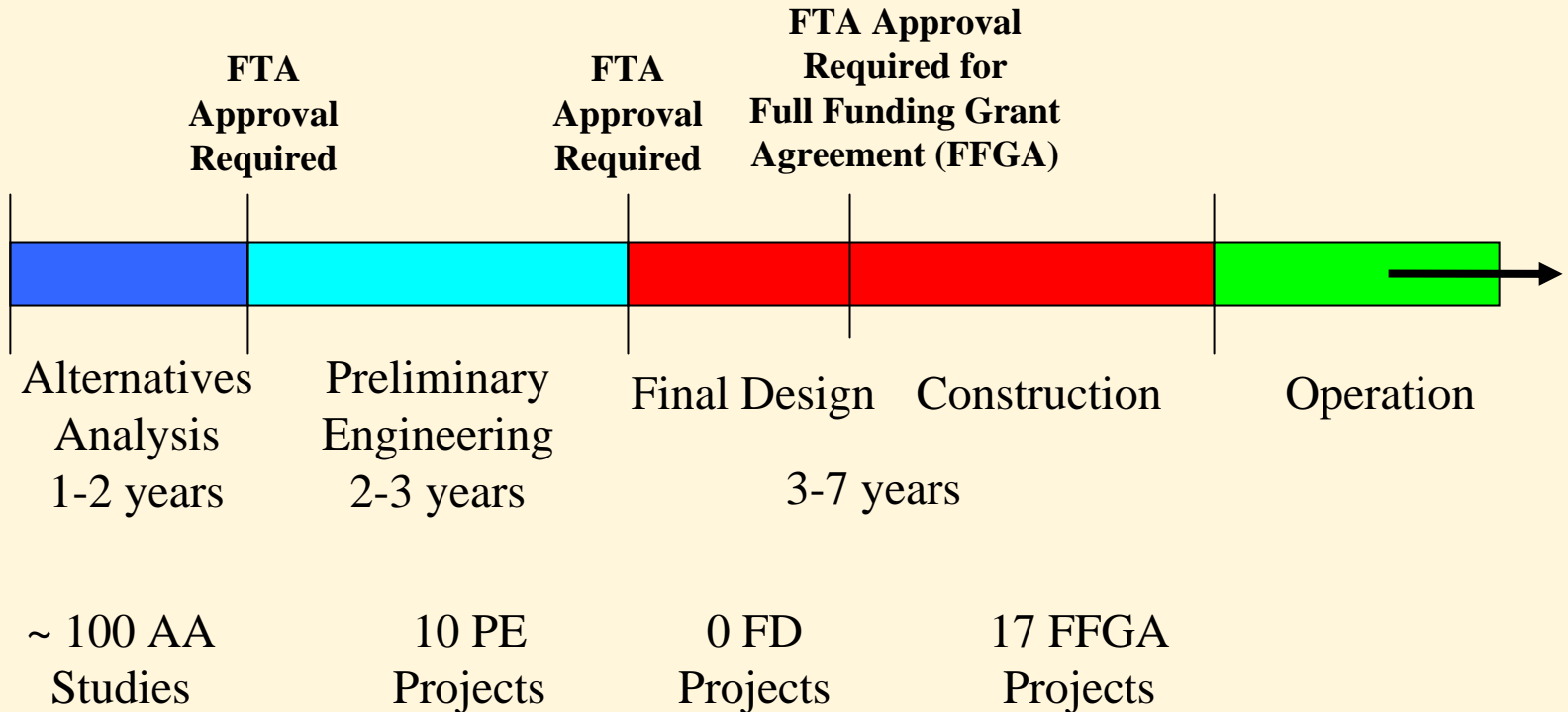
- Systems Planning: select priority corridor
- Alternatives Analysis: mode and alignment
- Preliminary Engineering (PE): final scope/cost, completion of NEPA, financial plan
- Final Design (FD): construction documents, finance
 - Small Starts combines PE and FD into a single phase
- Full Funding Grant Agreement (FFGA)/Project Construction Grant Agreement (PCGA)
 - FTA: funding “commitment”
 - Project sponsor: delivery of the project

New Starts a Marathon Not a Sprint

- To obtain New Starts monies, project sponsor must abide by statutory process
- Average Length of Process from AA to FFGA is currently almost ten years
 - AA is a local decision-making process that typically takes 12-18 months to complete and requires public involvement
 - AA is funded with local funds, highway or transit planning funds or by an earmark from section 5339
 - New Start monies can't be used for AA
- Speed of Small Starts process is dependent upon nature of project
 - BRT Projects with cost of less than \$50 million moving forward in 2-3 years

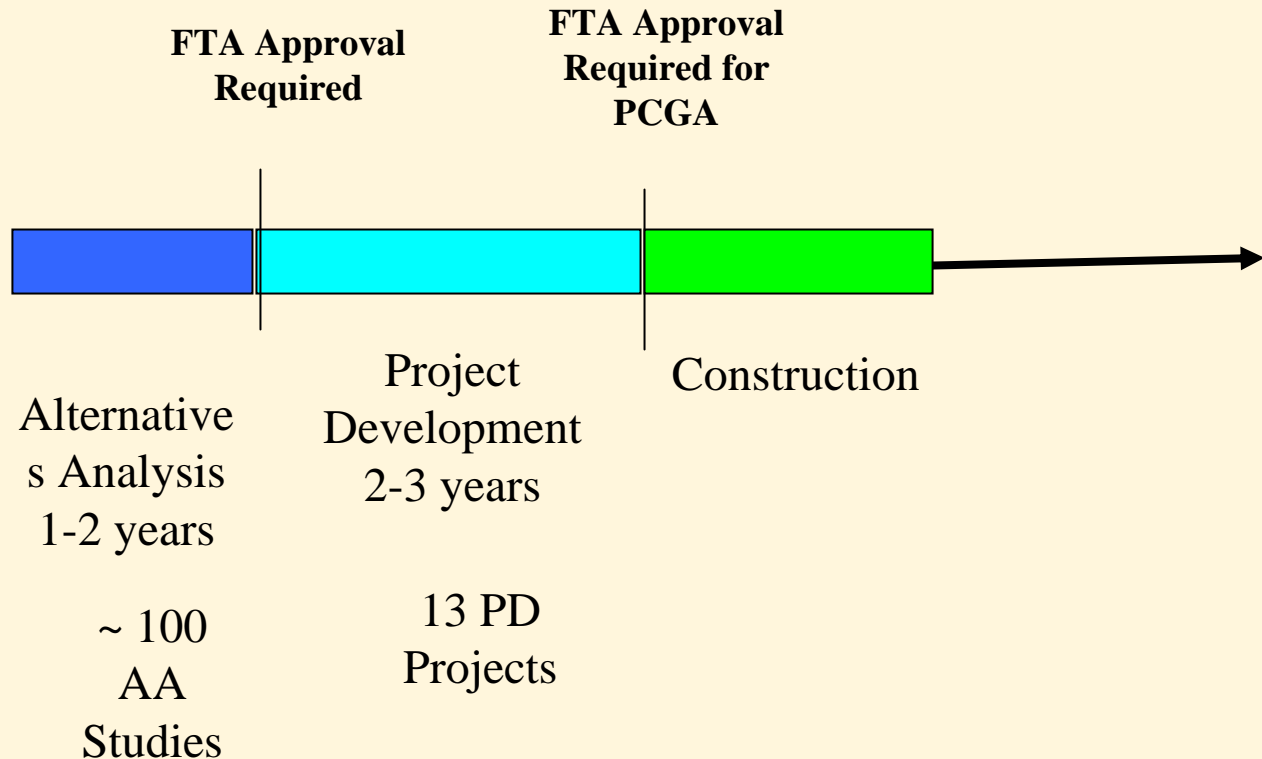
New Starts Project Development Process

- Project Development: Typically 6-12 Years

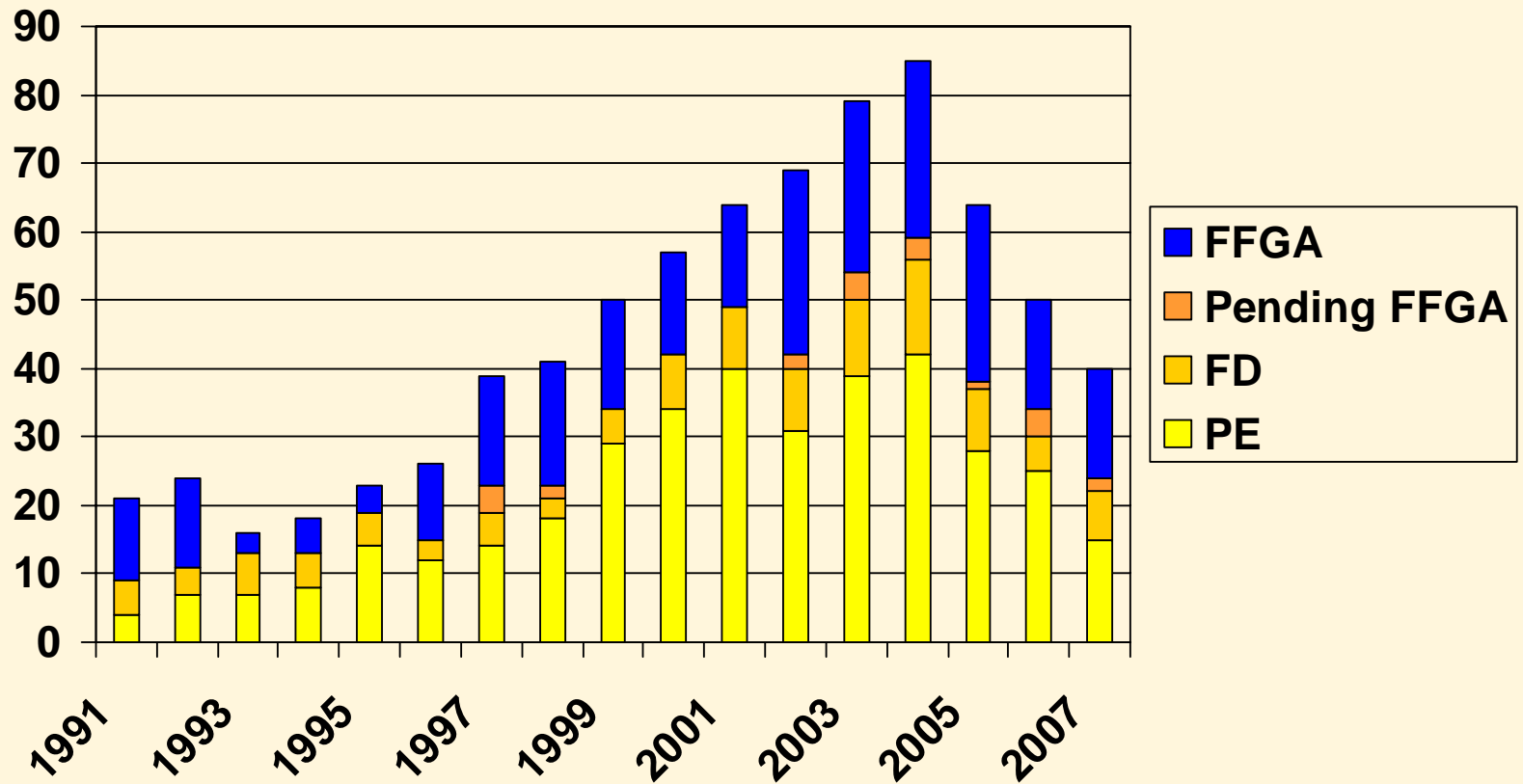


Small Starts Project Development Process

- Project Development: Typically 3-7 Years



New Starts "Pipeline" Since FY 91



Lessons Learned from Other Projects

- Travel demand forecast acceptable to FTA is crucial to develop ridership estimates, user benefits and cost effectiveness
 - Much time spent on defining baseline alternative to compare to LRT Project
 - Developing modal constants (project attributes that add user benefits, i.e., technology, one seat ride and safety) will impact cost effectiveness
- Realistic project cost estimates (year of expenditure)
 - Early engineering is less than 10 percent design
 - Costs will be impacted by increased engineering and design, delay and construction costs market
- Cost of right of way acquisition and utility relocation are two major uncertainties

Moving Towards Success

- Starter line make sense and builds upon success of Bus Rapid Transit lines
- FTA process may add time but it does promise reward of 50 percent Federal funding
- Make decision whether to pursue New Starts funding at entry into PE based on analysis of New Starts information
 - PE is major entry point for FTA
 - FTA is committed to advancing projects in PE to construction
- While program is competitive, it rewards those communities that are persistent and engage in good project planning

Moving Towards Success

- Consensus, consensus, consensus
 - If the Tampa Bay region fails to speak with one voice, reduces prospects of having success in New Starts program
- Money talks
 - Communities with non-Federal monies in place move forward more rapidly than those that must wait for a local vote
- Persistence
 - Process is not for faint of heart, but will reap major rewards for community if use project to shape land use and economic development for downtown and project corridor