
Successfully Navigating the FTA New Starts Process

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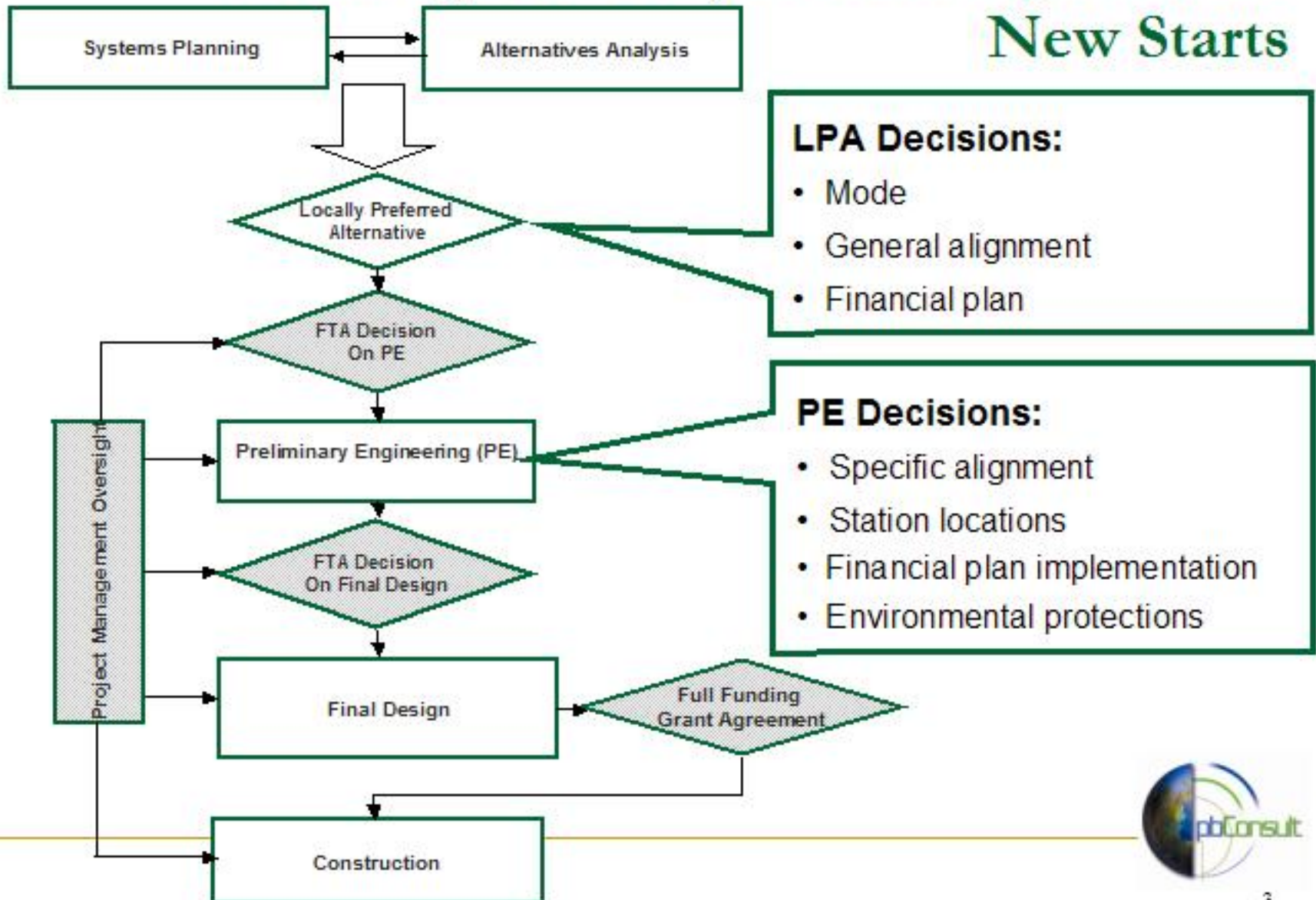


New Starts and Small Starts

- New Starts
 - Federal funding program for fixed guideway transit projects
 - Discretionary and highly competitive
 - \$1.5 Billion per year nationwide, with funding decisions shared between FTA and Congress
 - Unique rules, procedures and decision criteria
- Small Starts
 - Simplified process and criteria for projects costing <\$250 M and Small Starts share <\$75 M
 - \$200 M per year nationwide
 - Rules, procedures, and decision criteria are being developed

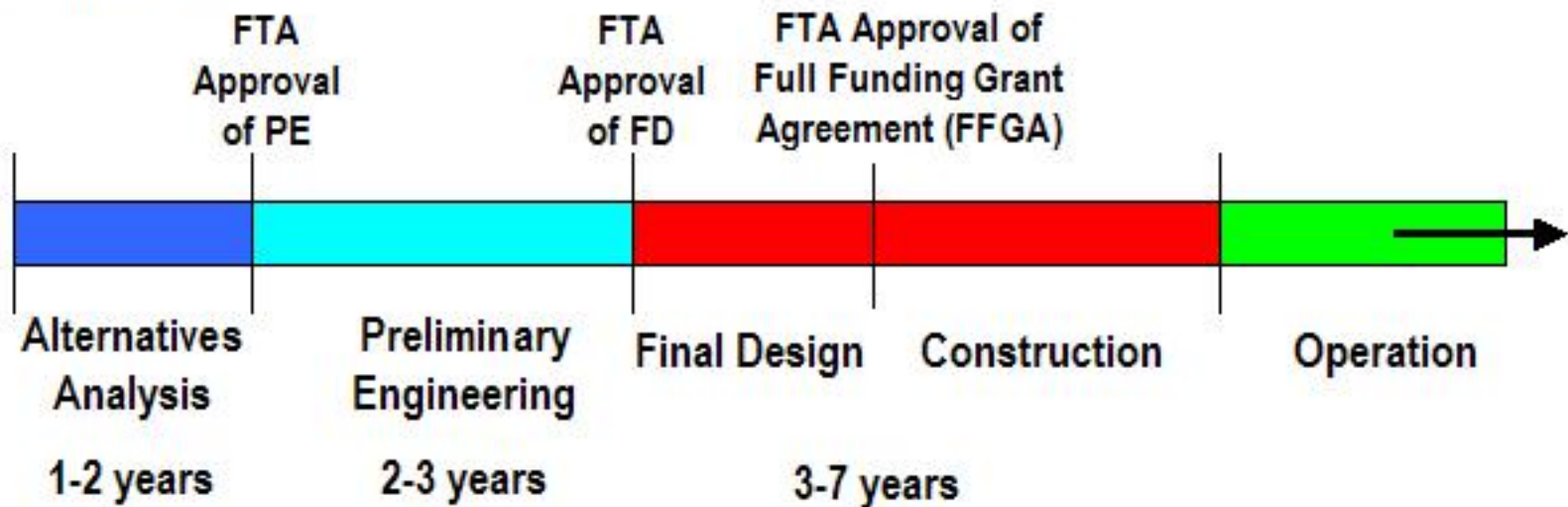


Planning and Project Development for New Starts



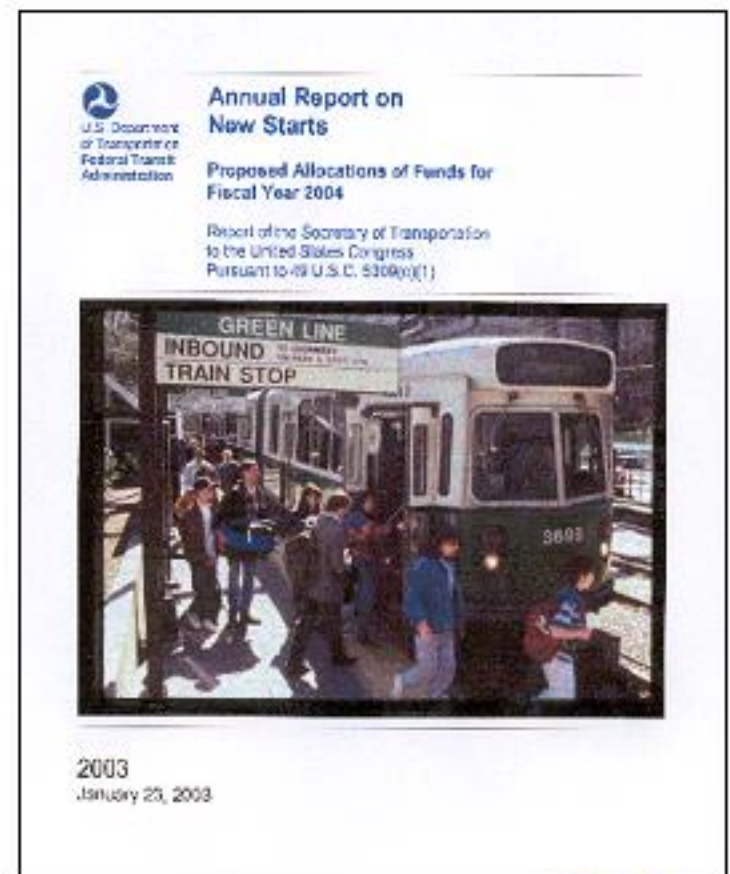
New Starts Timeline

Planning and project development can take 6-12 years – or more:

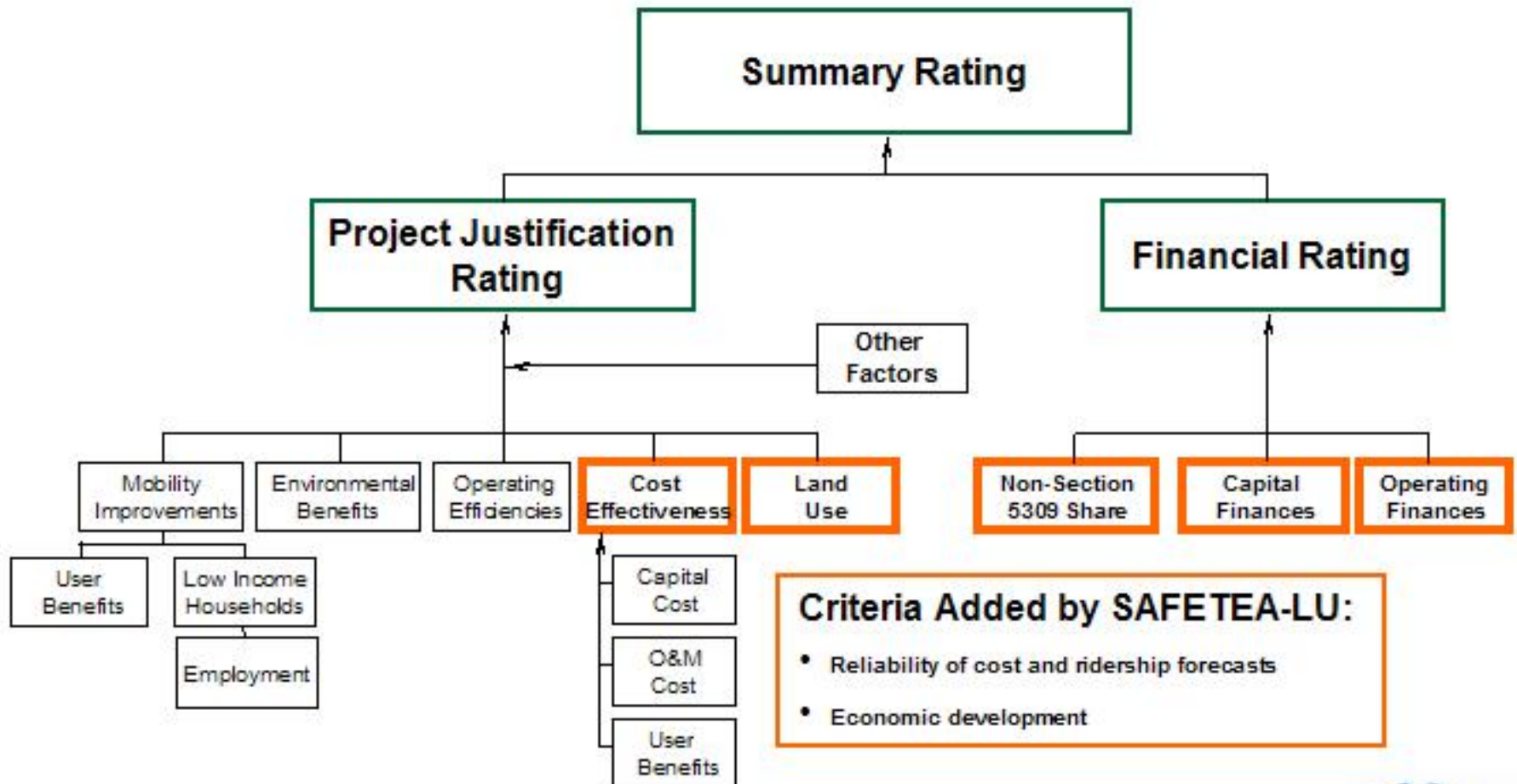


New Starts Ratings

- Ratings guide FTA approvals into PE, Final Design, and FFGA's
- Once project is in PE, rating is updated each year for FTA's Annual Report on New Starts
- Ratings provide the basis for funding recommendations in President's budget



New Starts Criteria



Cost Effectiveness Rating

- Cost per unit of benefit:
 - Cost measure: Annualized capital plus annual O&M cost
 - Benefit measure: Hours of user benefits
- Benefits and costs are computed in relation to “Baseline”
 - Low capital cost relative to fixed guideway
 - “Best you can do to improve transit without building a new guideway”

$$CE = \frac{\Delta \text{ Cap Cost} + \Delta \text{ O\&M}}{\Delta \text{ User Benefits}}$$



Cost Effectiveness Thresholds

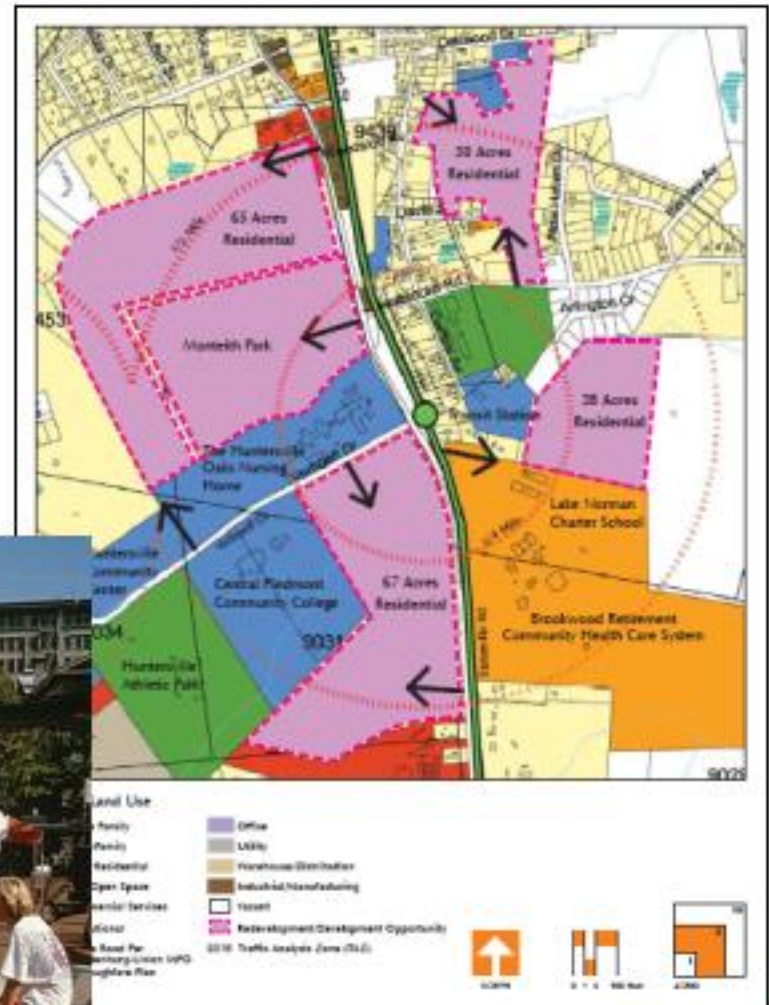
- Cost Effectiveness thresholds for FY 2006:
 - High <\$10.99 per hour
 - Medium-high \$11 - \$13.99 per hour
 - Medium \$14 - \$21.99 per hour
 - Medium-low \$22 - \$27.99 per hour
 - Low > \$28 per hour
- For 2006 New Starts Report, FTA required at least a “medium” on Cost Effectiveness to be recommended for funding



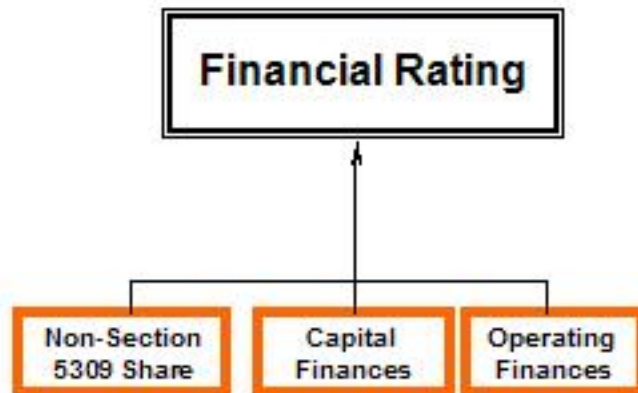
Land Use Rating

Rating is based on balance between:

- Existing land use
- Transit supportive plans and policies
- Performance and impacts of policies



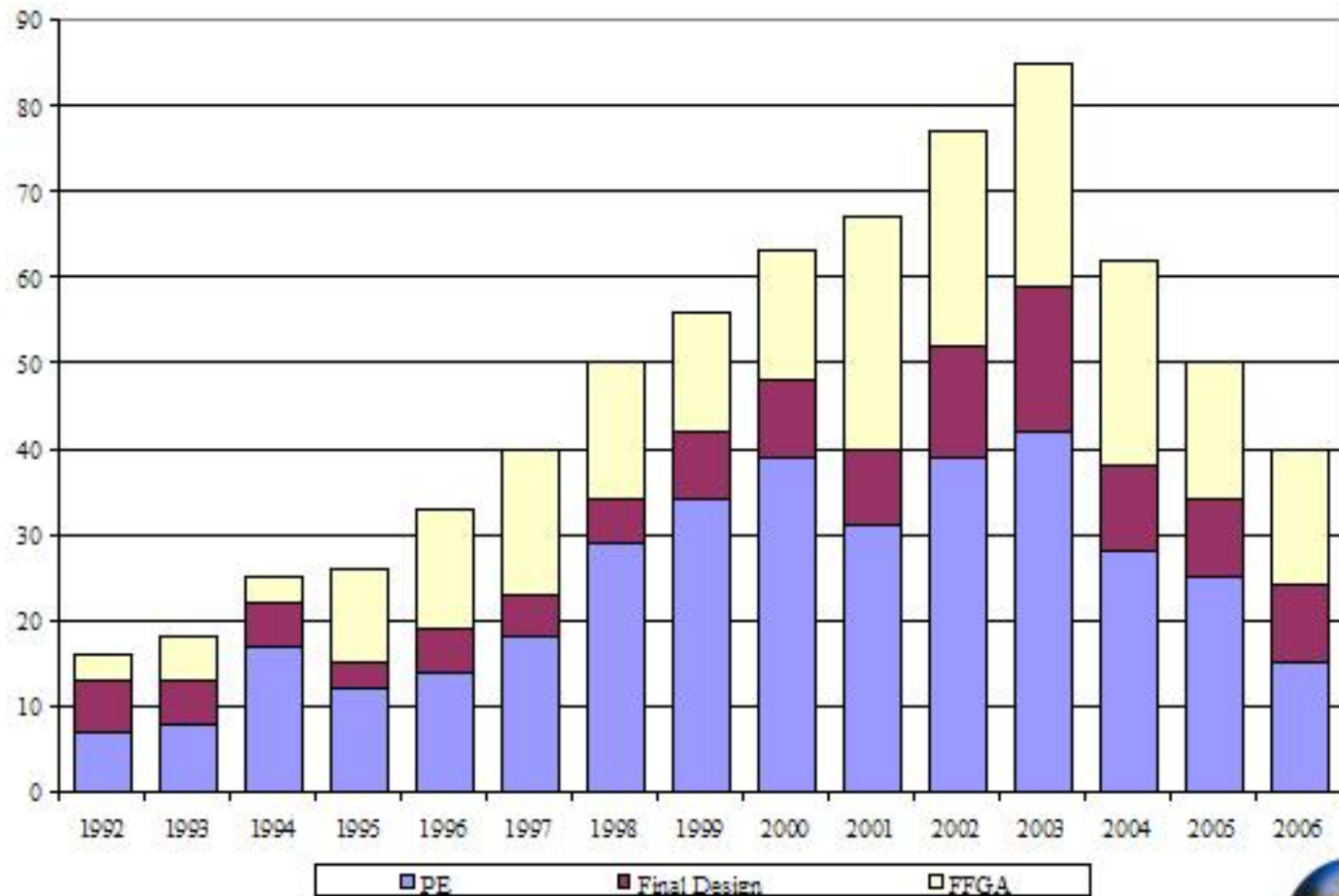
Financial Rating



Key factors:

- ❑ Capital and operating financing condition
- ❑ Completeness of financial plan
- ❑ Commitment of capital and operating funds
- ❑ Capital and operating funding capacity
- ❑ Reasonable planning assumptions and cost estimates

Size of the New Starts Pipeline



Characteristics of Successful Projects

- Local support for transit – perhaps as part of regional vision
- Local support for the project
 - Mode and alignment
 - Funding
- Realistic expectations
 - What transit can do
 - What it takes to deliver a project
 - What the project will cost to build and operate
- Often start small



Denver LRT

- Started rail planning around 1970
- First LRT project – about 4 miles – opened in early 1990s
- Success led to Southwest Corridor and Southeast Corridor projects
- \$4B FastTracks program (dedicated sales tax) passed in 2004
- Mix of FTA-funded and locally-funded projects



Minneapolis LRT

- Planned LRT in early 1980s in conjunction with highway reconstruction project
- Highway project preserved ROW for transit
- FTA funding commitment signed 2001
- Funding package for \$675M LRT
 - State: \$120M
 - County: \$31M
 - Airport: \$142M
 - FTA New Starts \$334M
 - CMAQ/STP: \$49M



Kansas City BRT

- KCATA performed Alternatives Analysis of Southtowns Corridor – early 1990s
- LRT selected as preferred alternative, PE phase started about 1997
- Mayor withdrew support and PE halted
- Series of unsuccessful tax referenda
- BRT studies initiated 2002, following land use visioning process



Kansas City's "MAX"

- Opened for Service July, 2005
- Features:
 - Reserved lanes in peak period
 - New look buses
 - Signal priority
 - Skip stop service
 - Distinctive shelters
 - User information
- Cost: ~\$20M
- Ridership is up 20-30%



More Characteristics of Successful Projects

- Project is an appropriate response to travel needs of the corridor
- Project sponsor can “make the case”
 - Sound estimates of ridership and costs
 - Benefits are explainable and justify the costs
- Risks are manageable



What to Do Now

- Develop support for improved transit
- Begin the local conversation on funding
- Take Alternatives Analysis and the LPA decision seriously
- Use sound technical approaches and involve FTA
- Consider starting small

