

The ***FAST*** and the ***CURIOUS***

What the new Transportation bill
means for Smart Growth



New Partners for Smart Growth

February 13, 2016

The Principals

- **Moderator**

David Taylor, ENV SP, President
Taylor | Future Solutions, LLC

- **Participants**

- **Jeffrey Boothe**, President

Boothe Transit Consulting, LLC

- **Richard Weaver**, Director, Policy
Planning and Sustainability, APTA

- **Christopher Coes**, Managing Director
LOCUS

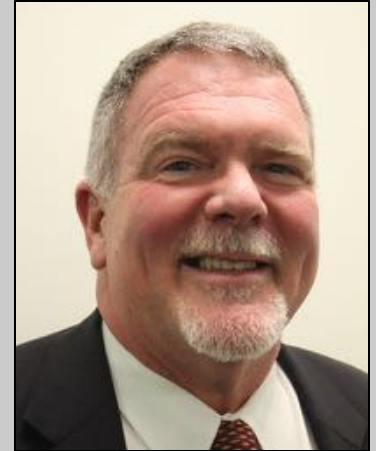
Jeffrey Boothe

- President of his own consulting practice
- 40 years experience in federal legislative advocacy – including the FAST Act
- Active in APTA with numerous leadership roles
- Director, New Starts Working Group and Community Streetcar Coalition
- Washington, DC based
- Jeff.boothe@boothetransit.com



Richard Weaver

- Director, Policy, Planning and Sustainability, APTA
- Active in developing federal policy and legislation – including the FAST Act
- Chair, Complete Streets Coalition
- Works with FTA and FHWA staffs
- Member, Rail~Volution Steering Committee
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Christopher Coes

- Managing Director, LOCUS
- Involved in getting \$20B in TOD and infrastructure financing in FAST
- Advises cities on revitalization, sustainability & economic development
- Served as Deputy Director , T4America
- Active with ULI and African American Real Estate Professional of DC
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Questions of the Curious about the Act

- What was so *Fast* about the Act?
- What does the Act actually say – and NOT say?
- Does the Act “fix” our transportation infrastructure – maintenance as well as new facilities?
- How does the Act creatively address transit and streets for Smart Growth?
- Are there health benefits in the Act?
- Can you finally fund TOD and supportive infrastructure?

Was It Really FAST?

- Decade in the making – consistent with previous authorizations
- TEA- 21: 1998 – 12 extensions
- SAFETEA-LU: 2005 – 11 extensions
- Map-21: 2012 (27 months) – Five extensions
- FAST Act: 2015 – No extensions to-date!

What IS In and NOT in the Act?



Jeff Boothe

The Big Picture

- **Could have been worse, but finished year unsatisfied**
- **Combine highways, transit and passenger rail for first time**
- **FAST Act fixed today's funding but not future funding**
 - **Five year bill, maintains 80/20 split between highways and transit**
 - **Relies on General Funds**
 - **2-3 percent annual growth**
 - **Locals bear growing burden**
- **Staring at funding cliff in FY 21**
 - **\$100 billion to sustain program**



MAP-21 vs. FAST Act

Program	MAP-21	FAST Act
Surface Transportation Program	<ul style="list-style-type: none"> • Expanded list of eligible activities • \$10 billion annually 	<ul style="list-style-type: none"> • Creates Surface Transportation Block Grant (STBG) • Sub-allocation increases from 50% in FY 16 to 55% by FY 20 • STBG (STP only) <ul style="list-style-type: none"> • FY 16 - \$10.3 billion • FY 17 - \$10.6 billion • FY 18 - \$10.8 billion • FY 19 - \$11.0 billion • FY 20 - \$11.3 billion
Transportation Alternatives Program (TAP)	<ul style="list-style-type: none"> • Provided \$800 M annually • Competitive process to distribute monies • Sub allocation by population 	<ul style="list-style-type: none"> • No longer TAP but STP set-aside • Annual funding <ul style="list-style-type: none"> • FY 16-17 - \$835 million • FY 18-20 - \$850 million • Preserves core elements and existing eligibilities • Principal program to bike and pedestrian improvements
Congestion Mitigation and Air Quality	<ul style="list-style-type: none"> • \$2.2 billion annually 	<ul style="list-style-type: none"> • FY 16-17 - \$2.3 billion • FY 18-20 - \$2.4 billion

MAP-21 vs. FAST Act

Program	MAP-21	FAST Act
<p>Metropolitan Planning Funding</p>	<ul style="list-style-type: none"> • \$312.5 million annually 	<ul style="list-style-type: none"> • FY 16 - \$329.3 million • FY 17 - \$335.9 million • FY 18 - \$343.0 million • FY 19 - \$350.4 million • FY 20 - \$358.5 million
<p>Metropolitan Planning Policy Provisions</p>	<ul style="list-style-type: none"> • New provision adding transit representation to MPO that DOT interpreted as requiring change in by-laws; impermissible for elected official to wear two “hats” 	<ul style="list-style-type: none"> • Designation of transit representation determined by by-laws but elected official can wear two “hats” • “Consider” resiliency and reliability of transportation system • “Consider” reducing or mitigating stormwater impacts surface transportation • Adds new parties to the MPO table <ul style="list-style-type: none"> • Public ports, intercity bus operators and employer-based commuting programs • Congestion management now includes intercity bus operators; employer-based programs, such as cash out parking, carpools, vanpool, transit benefits, shuttles, telework; and, job access projects

Passenger Rail



- **State of Good Repair Grants**
- **Restoration and Enhancement Funding**

- **New Competitive Discretionary Grant Programs**
- **Rail and Safety Improvements**



High Speed Rail

- **Performance-Based Proposals**

- Secretary issues a Request for Proposal for the financing, design, construction, operation and maintenance
- Response sets forth the terms of the parties, the source of funding, capital cost, operations plan and a description of how the project will impact highways, aviation, congestion, energy consumption, land use and economic development
- Commission, established in FAST Act and appointed by President, will review the proposals and make selections



Rich Weaver

What about Transit and Streets?



Expanding Access to Transportation through FTA Programs: Section 5310



To improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options.
- Title 49 U.S.C. 5310



A vertical sidebar on the left side of the slide contains eight circular icons. From top to bottom: a blue boat, a pink circle, a red bus, a blue train, a light blue circle, a red bus, a red bus with a wheelchair symbol, and the APTA logo (American Public Transportation Association) in a white circle with a blue and red border.

Who Are Eligible Recipients for 5310 Funds?

- States
- Designated recipients
- State or local governmental entities that operates a public transportation service

What Projects Are Eligible For 5310 Funds?

Traditional Projects

- Buses and vans
- Wheelchair lifts, ramps, and securement devices
- Transit-related information technology systems
- Acquisition of transportation services under a contract, lease, or other arrangement.

Non-Traditional Projects

- Feeder service to commuter rail, commuter bus, intercity rail, and intercity bus stations
- Building an accessible path to a bus stops including curb-cuts, sidewalks, accessible pedestrian signals or other accessible features
- Improving signage, or way-finding technology
- Implementation of other technology improvements that enhance accessibility including ITS
- Travel training



5310 Program Changes Under The FAST Act

- New funding recipients
- Collecting Best Practices
- New Innovative Pilot Program
- Improved Coordinating Council on Access and Mobility (CCAM)



What Are The Funding Levels?

	FY 2015/ MAP 21	FY 2016 (in millions)	FY 2017 (in millions)	FY 2018 (in millions)	FY 2019 (in millions)	FY 2020 (in millions)
5310 Formula Grants	\$258.3	\$262.95	\$268.21	\$273.84	\$279.65	\$285.58
Discretionary Pilot Program	N/A	\$2.00	\$3.00	\$3.25	\$3.50	\$3.50
5310 Total	\$258.3	\$264.95	\$271.21	\$277.09	\$283.15	\$289.08



Smart Growth Impacts

- **Good News/Bad News**
 - **Five years brings stability BUT at inadequate levels**
 - **Found funding to sustain program BUT funding gap is even bigger in FY 21 and beyond**
 - **Increased sub-allocation of STP monies BUT no funding specifically directed to cities**
 - **Sustained the TAP program BUT only as part of an STP Block Grant**
- **Good News**
 - **Surface Transportation Authorization includes all modes**
 - **Increased financing options for TOD and adds “value capture” for real estate development at transit stations**

FTA “Rides to Wellness” Initiative



Rides to Wellness Initiative Vision & Impact

Through
rides
people and
community
health
thrive

- Improve healthcare access including access for disadvantaged individuals
- Reduce healthcare costs
- Leverage public transportation assets



Why Have a Health and Transportation Initiative?

Healthcare
Costs

Access to
Screenings

Lack of
Transportation

Missed
Appointments



How Will We Accomplish This Initiative?

Three-pronged Strategy for FTA's ACCESS TO HEALTH CARE TRANSPORTATION LADDERS OF OPPORTUNITY INITIATIVE





The mission of the National Center for Mobility Management (NCMM) is to facilitate communities to adopt transportation strategies and mobility options that empower people to live independently and advance health, economic vitality, self-sufficiency, and community.



National Center for Mobility Management

Information Briefs

- Service Integration
- One-Call, One-Click

Peer Networking

- Mobility Management Innovation and Practices

Training

- Performance Measures
- Design Thinking

Community Technical Assistance Plans

- Amazon Worker Transportation
- Florida MM Grant Writing

Grant Programs

- Healthcare Access Design Challenge



Rides to Wellness Next Steps



Build new relationships and resources that facilitate collaboration between health and transportation stakeholders to drive access to health through access to a ride



Improve coordination of Federal resources



Harness the power, perspective and expertise in the research community around Rides to Wellness



Overview

- Complete Streets
- Expanding access to transportation through FTA Programs and Initiatives
- Ride to Wellness initiative



Complete Streets Policies

A Complete Streets policy ensures that the entire right of way is planned, designed, operated and maintained to provide safe access for all users.



Incomplete Streets are Barrier to Riders and Good Service



How Does the FAST Act Impact Complete Streets Projects?

- FAST ACT is the FIRST federal transportation bill to include complete streets legislation
- Requires Safe Streets for ALL USERS
- USDOT will be required to produce a report on implementation and best practices for Complete Streets
- Communities will be permitted to circumvent their state design manuals States



Helpful Resources:

- National Complete Streets Coalition www.completestreets.org
- Secretary's Action Plan on Bike and Pedestrian Safety
<https://www.transportation.gov/office-policy/transportation-policy/secretary%E2%80%99s-action-plan-bike-and-pedestrian-safety>
- Bicycle and Pedestrian Funding Opportunities: US Department of Transportation, Federal Transit, and Federal Highway Funds
(
http://www.fhwa.dot.gov/environment/bicycle_pedestrian/funding/funding_opportunities.cfm)
- Bicycle and Pedestrian Funding, Design, and Environmental Review: Addressing Common Misconceptions
http://www.fhwa.dot.gov/environment/bicycle_pedestrian/guidance/misconceptions.cfm



Smart Growth America
Making Neighborhoods Great Together



National Complete
Streets Coalition

Christopher Coes

Can TOD & Infrastructure be Financed?



LOCUS



Smart Growth America

Making Neighborhoods Great Together

- TIFIA: TOD and Local Infrastructure Financing Opportunities
- RRIF: TOD Financing Opportunities
- What does it mean for Smart Growth Development?

TIFIA Financing: Purpose and Benefits

Purpose

- Fill financing gaps left by private capital markets
- Leverage federal funds by attracting substantial private and other non-Federal co-investment

Risk

- Federal Government takes on lending risk
- Provides same low interest rate to all projects

Cost

- Low interest rate offered even when TIFIA loan is subordinate or senior debts receive a credit rating below AAA

Flexibility

- Loans are repaid once construction is completed
- Repayment may be delay for additional 5 years following construction
- Loan payments sculpted to match project revenues

TIFIA Credit Assistance Offerings

Direct Loan

Low-cost, flexible financing covering both development and construction activities

Repayment must occur within 35 years of completion

Loan Guarantee

Obligation of the Federal Government to repay private lender in case of bankruptcy or insolvency by project sponsor

Loan guarantee terms must be consistent with those of a direct loan

Line of Credit

Contingent loan available for up to 10 years after constructed completed

Once loan accessed, terms and conditions same as direct loan

TIFIA Program Basics

Eligible Applicants

States

Local Governments

Transit Authorities

Private Firms

Public-private
partnership

Special Authorities

Creditworthiness

- Senior project debts must receive an investment grade rating from two national rating agencies
- Investment grade is defined as “BBB(low)” or higher

Inclusion in Transportation Plans

- A project must be included in the transportation plan as well as the TIP/STIP
- Private entities are eligible to apply for a TIFIA loan provided their project is included in the statewide or metropolitan plan and TIP/STIP

Dedicated Revenue Source

TIFIA loan must have a dedicated source of revenue pledged as repayment, including:

- Tolls or other user fees
- Payments from a private entity through P#
- Tax such as sales, property, or income

TIFIA Program Basics

Eligible Projects

Highways

Bridges

Passenger Rail Vehicles and
Facilities

Intelligent Transportation Systems

Intermodal Connectors

Intermodal Freight/Port Access

Public Transportation

Intercity Bus Facilities

TOD Infrastructure

Loan Limit

A TIFIA loan may not exceed the following share of total project costs:

- **49 percent**
- **33 percent** for public sector project sponsors that take advantage of the “nonsubordination waiver” with a broad-based revenue source (e.g., sales, property, or income tax)

Minimum Project Costs

In order to qualify for a TIFIA loan, your project must meet the following cost threshold:

- \$50 million in urban areas
- \$25 million in rural areas
- \$15 million for ITS projects
- **\$10 million for TOD and Local projects**

MAP-21 defines rural as any area other than an urbanized area with population over 250,000

Eligible TOD Infrastructure

Property Acquisition

Demolition of Existing Structures

Site Preparation

Utilities

Transit Station Improvements

Open Space

Safety and Security Equipment

Building Foundations

Walkways

Pedestrian and Bicycle Access

TOD Related Infrastructure

Intermodal Transfer Facility

Facilitates that incorporate community services such as daycare or health care

Construction of space for Commercial Uses

Note: While TOD “related infrastructure” includes TOD infrastructure categories such as parking garages, these projects should (1) promote greater transit ridership, (2) walkability, or (3) increase private investment.

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Loan Requirements and Repayment Terms

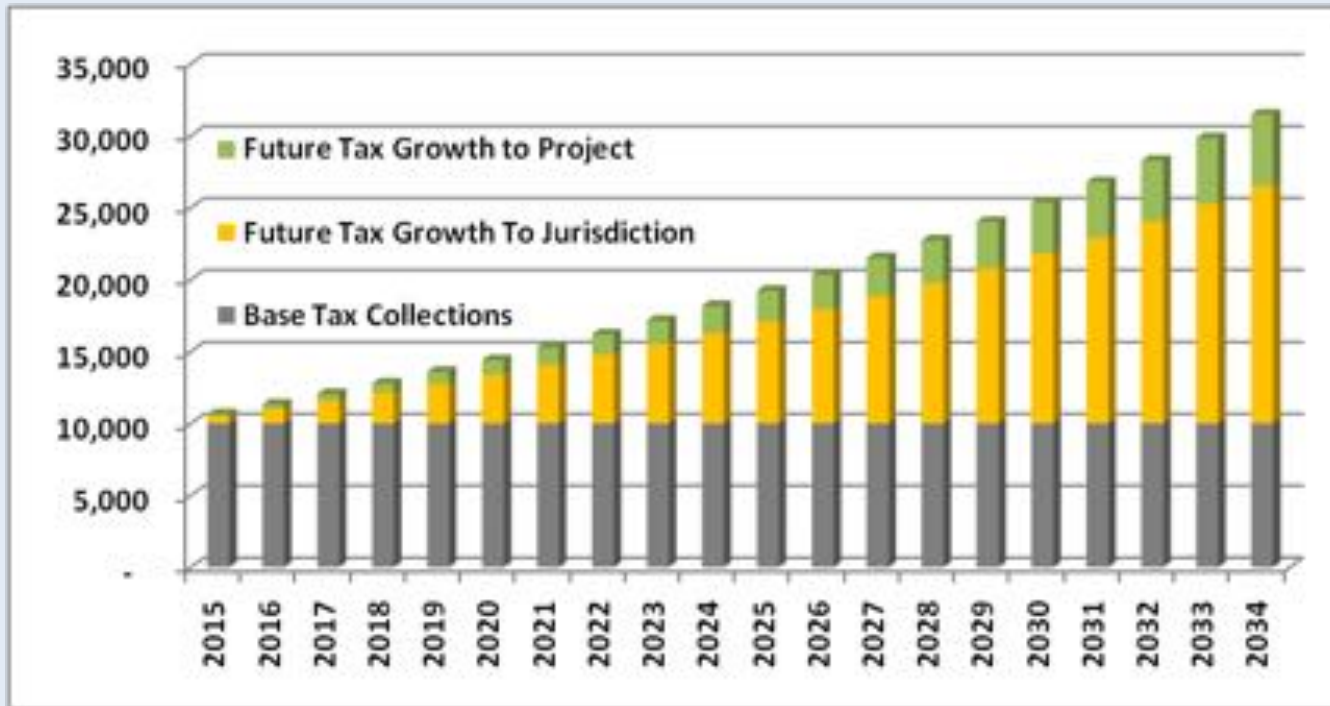
- **Credit Rating:** Senior debt must receive an investment grade rating (BBB low or higher) from two nationally recognized credit rating agency
- **Rate Covenant:** USDOT may require a rate covenant, which is a guarantee pricing of tolls and property assessment charges
- **Coverage Ratio:** USDOT may require a specific revenue projection over and above loan obligations prior to providing a loan
- **Maximum Amortization:** Loans must be repaid within 35 years after construction completed

Current Interest Rate
2.94%

Eligible Project Costs

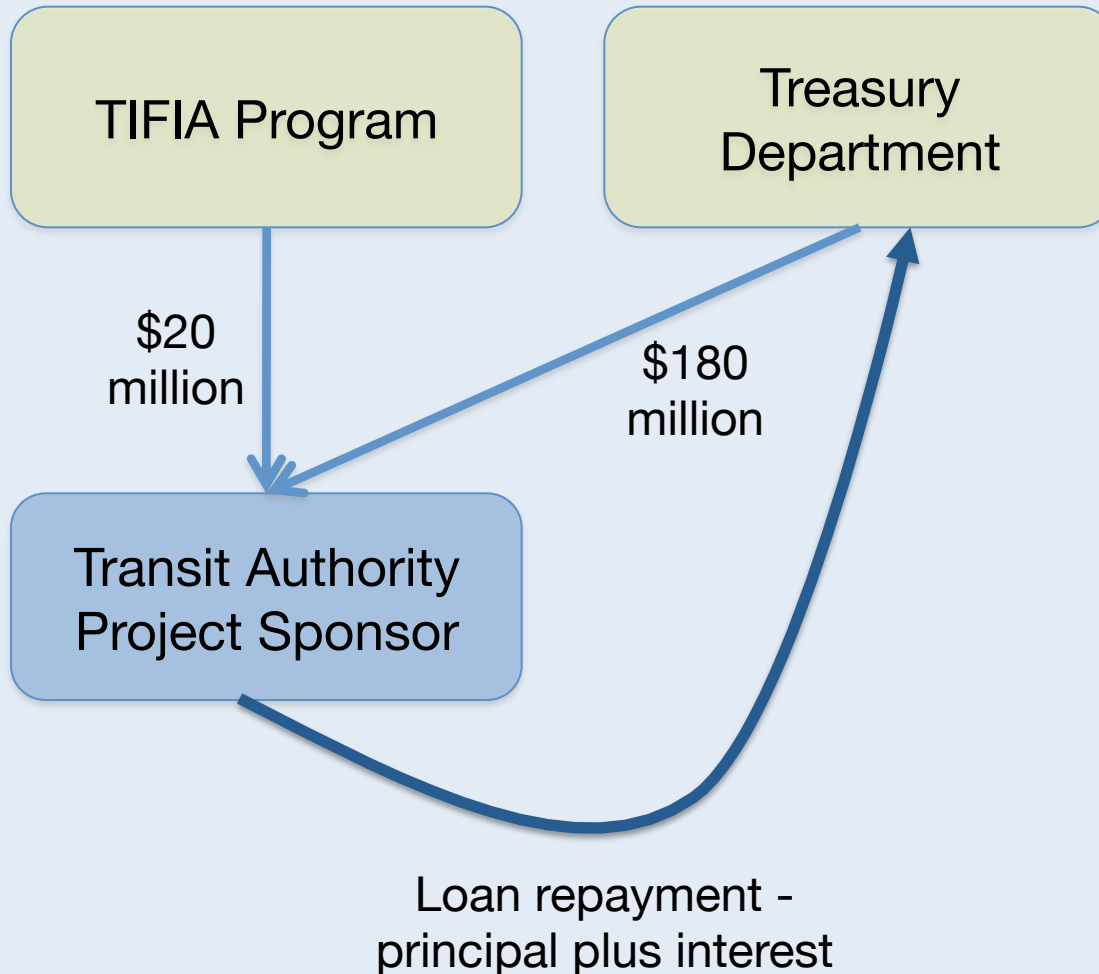
- **Development Phase Activities:**
 - Planning
 - Revenue forecasting
 - Environmental review
 - Permitting
 - Preliminary engineering
 - Design work
- **Construction Phase:**
 - Construction
 - Reconstruction,
 - Rehabilitation,
 - Replacement,
 - Acquisition of real property,
 - Environmental mitigation
 - Construction contingencies
- **Capitalized interest**

“Sculpting” Repayment to Meet Project Revenues



- **Standard TIF Revenue Curve:** Economic development around stations and within a transit corridor take time to build up. Property tax revenues from a TIF district are heavily back-loaded
- **TIFIA Repayment Sculpting:** The TIFIA program tailors repayment to match project revenues, allowing back-loaded payments

Example: \$200 Million Loan for from TIFIA



Loan Disbursement and Repayment Process

- 10 percent of the loan amount comes from the TIFIA program
- Remaining 90 percent comes from the Treasury Department
- All funds are repaid to the Treasury Department

TIFIA Authorization

- \$1 billion in FY2014
- \$275 million in FY16-18
- \$300 million in FY19

Leveraging: Ever TIFIA program dollar can support approximately ten dollars in direct loans

LOCUS



Smart Growth America

Making Neighborhoods Great Together

- TIFIA: TOD and Local Infrastructure Financing Opportunities
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- What does it mean for Smart Growth Development?

RRIF Financing: Purpose and Benefits

Purpose

- Direct Loans and loan guarantees for development of railroad infrastructure

Risk

- Federal Government takes on lending risk
- Provides same low interest rate to all projects

Cost

- Low interest rate offered when RRIF loan is subordinate

Flexibility

- Loans are repaid once construction is completed
- Repayment may be delay for additional 5 years following construction
- Loan payments sculpted to match project revenues

RRIF Program Basics

Eligible Applicants

States and Local Governments

Amtrak

Railroads

**Government-sponsored
Authorities and Corporations**

**Limited Option
Freight Shippers**

**Joint Ventures that includes
one of the abovementioned**

Creditworthiness

- RRIF calculates a credit risk premium for the loan based on the creditworthiness of the borrower
- Creditworthiness can now be determined by cash flows generate from the project or through dedicated revenue sources such as tolls, other user fees or payments owing to the obligor under a public-private partnership

Application Fee and Process

- Applicants required to pay an application fee and an investigation charge of up to one-half of one percent of the principal amount of the direct loan or portion of the loan guaranteed under RRIF
- Completed applications are required to receive notification of loan approval or disapproval within 60 days of submission

NEPA Compliant

- A project must be compliant under the National Environmental Policy Act and related laws, regulations, and orders

RRIF Program Basics

Eligible Projects

Acquire, Improve, and Rehab
Intermodal or Rail Equipment

Refinance outstanding Debt

Develop or establish new
intermodal or railroad facilities

Transit-Oriented Development*

Note: The TOD provision will sunset in 4 years

Loan Limit

A RRIF loan may not exceed the following share of total project costs:

- **100% of the project cost**
- **75% percent** of the total project cost for TOD projects. TOD projects must have a 25% non-federal match

TOD Requirement

RRIF loan can be used to finance development that can:

- (1) incorporate private investment,
- (2) is located near (or functionally related) to a passenger rail station or multimodal station that includes rail service, and
- (3) is able to start no later than 90 days after the loan is obligated,
- (4) demonstrate new sources of revenue for the passenger rail station or service by increasing ridership, tenant lease payments or other activities that generate revenue exceeding cost

LOCUS



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Retrofitting Suburbia: Arlington

1980s: Ex-Sears Stores

Same Place Today



Two blocks north and south, single family housing that is highest priced in Arlington on \$/foot basis: Best of Two Worlds
10% of the land=50%+ of government revenues
Among best schools in Country...new housing has 0.4 per unit

Downtown White Flint, MD



Power of Value Capture - Denver Union Station



Additional Resources

TIFIA Program Office:

<http://www.fhwa.dot.gov/ipd/tifia/>

TIFIA Letter of Interest Application Template:

http://www.fhwa.dot.gov/ipd/pdfs/tifia/app_c-1_loi_template_0712.docx

TIFIA Notice of Funding Availability:

http://www.fhwa.dot.gov/ipd/pdfs/tifia/fy2013_tifia_nofa_073112.pdf

TIFIA Fact Sheet:

<http://www.fhwa.dot.gov/map21/tifia.cfm>

The ***FAST*** and the ***CURIOUS***



Q&A

The ***FAST*** and the ***CURIOUS***



Thank You!