Capital Development Project Process

Utah Transit Authority

June 2021

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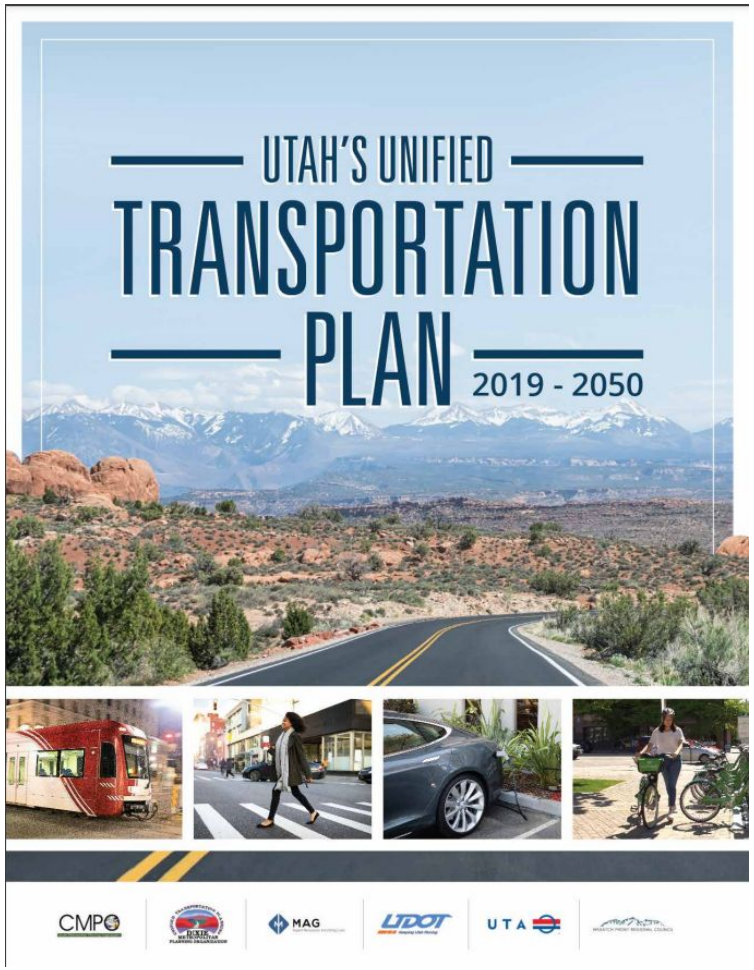
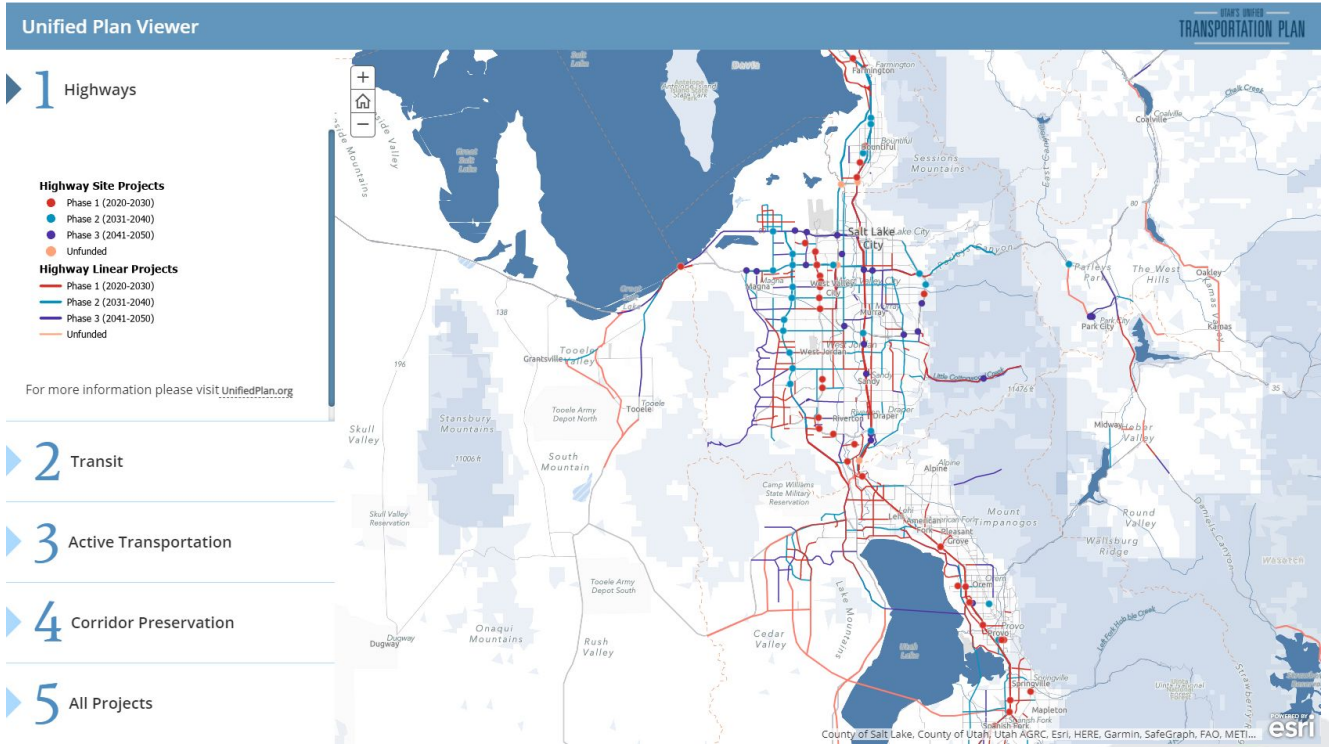
Why Develop Projects?

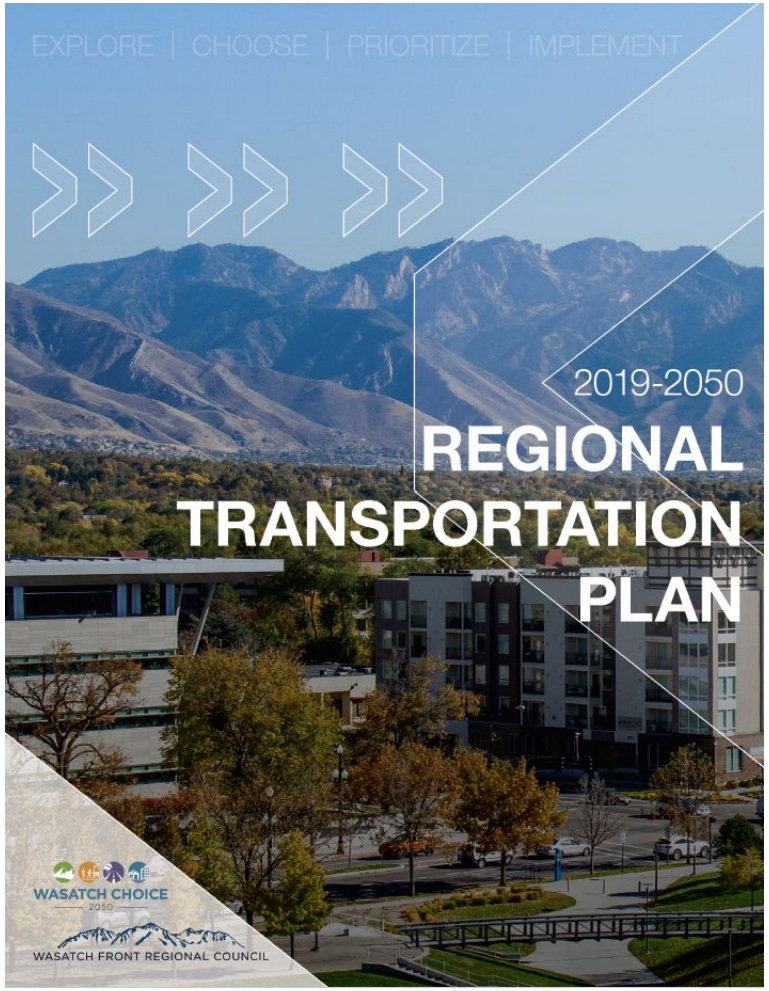
- Enhance service for customers
- Support local government partners
- Meet transportation demand
- Influence land use change
- Support the implementation of the regional transportation plans

Unified Transportation Plan

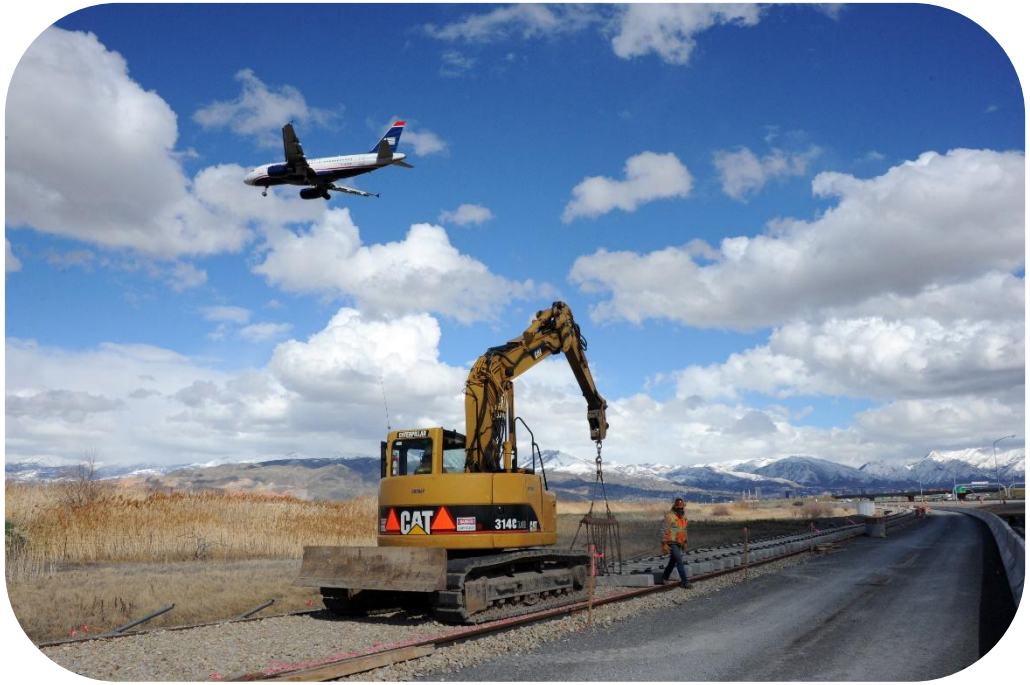


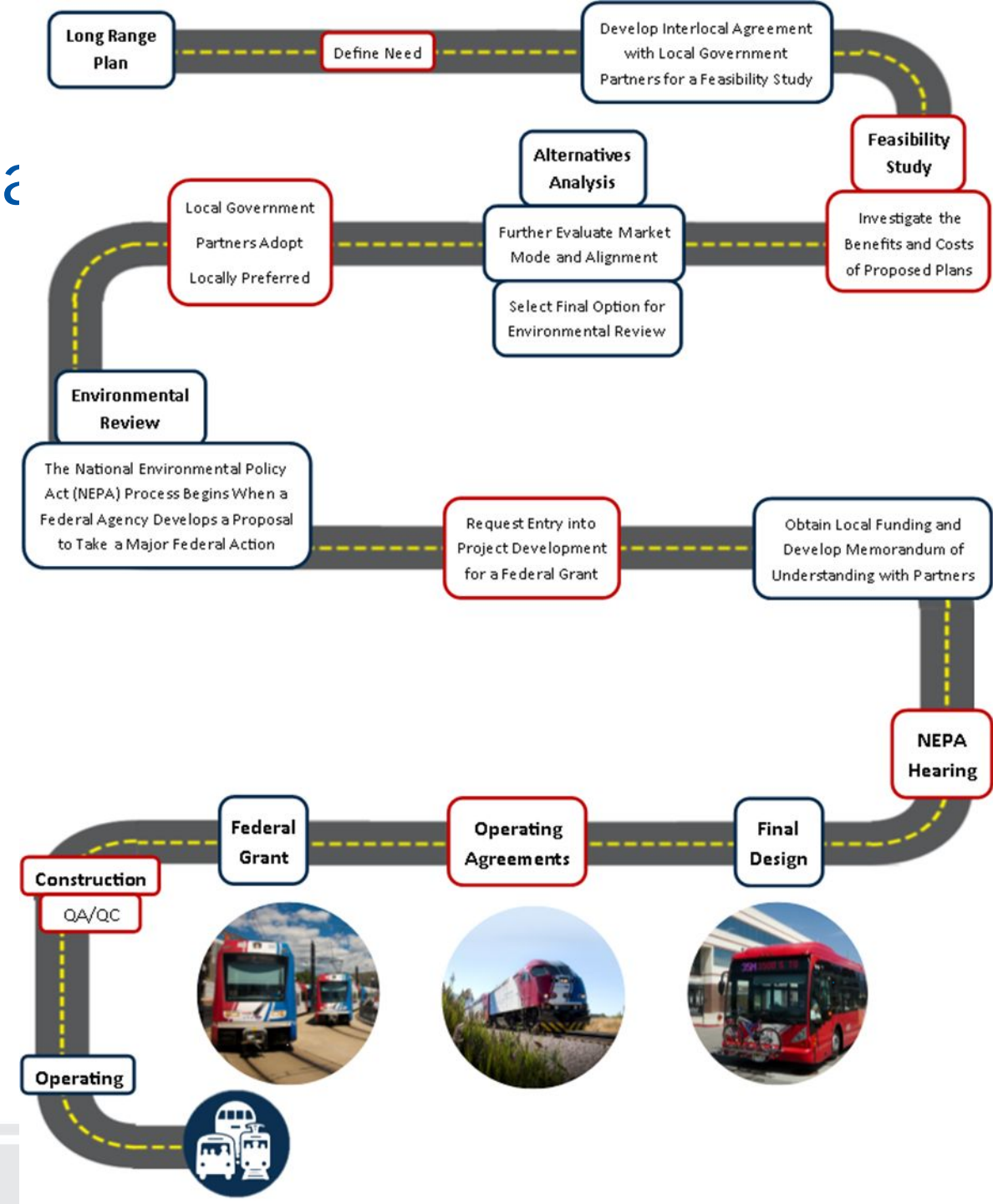


Regional Transportation Plans

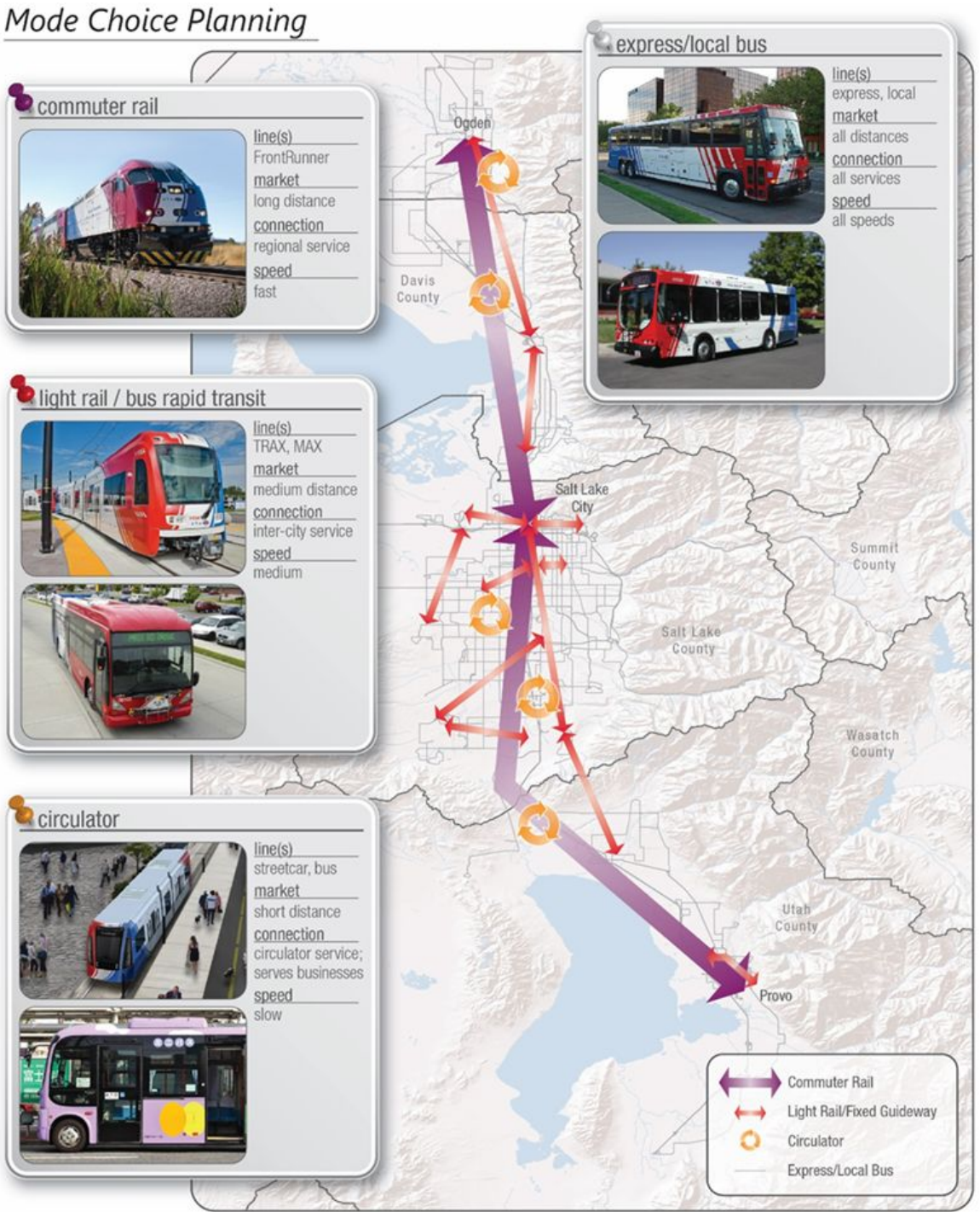


Project Development Roadma

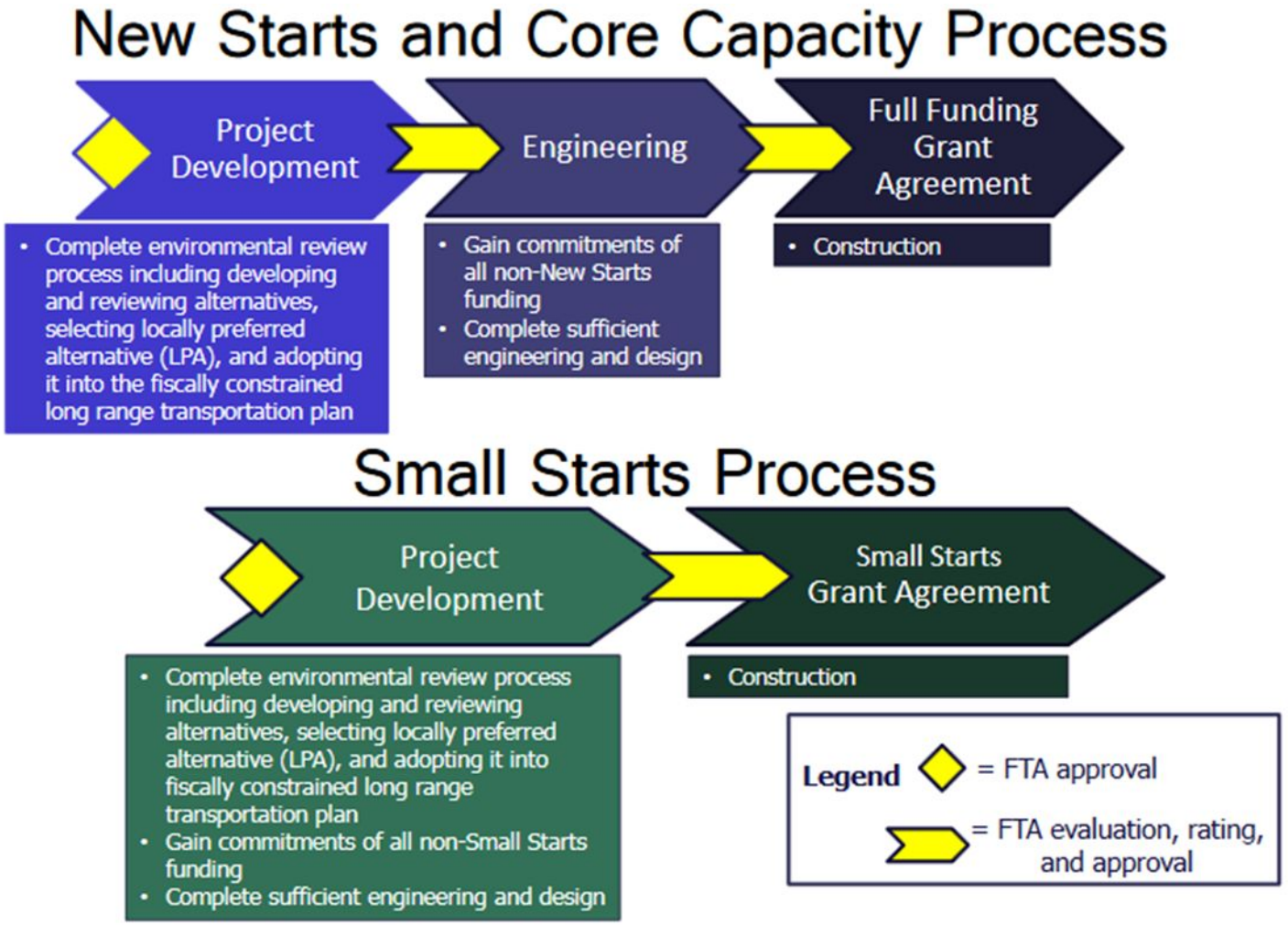




Mode Choice Planning: Market then Mode



Federal Funding Process



FTA Project Rating Criteria

National Environmental Policy Act (NEPA)

Gathering of information that will be included in the EIS

Development of preliminary project alternatives and criteria used for evaluating alternatives

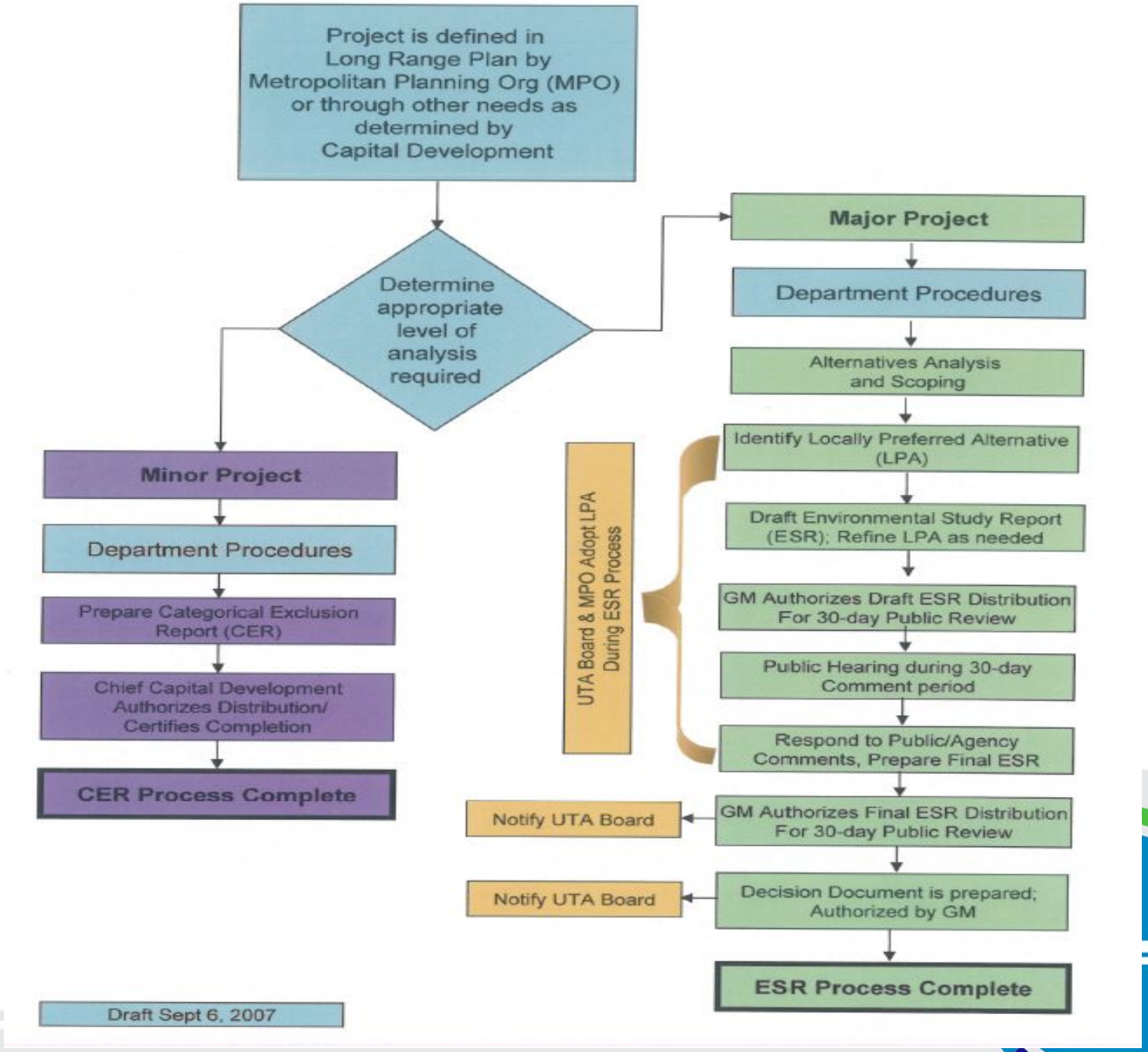
Detailed development of alternatives that have been carried forward

Evaluates and documents the natural, cultural, and socioeconomic impacts of the alternatives

Documents the final impacts and mitigation commitments and responds to comments received on the DEIS

Completes NEPA, allowing the project to proceed

Non-Federal Environmental Process



Funding Strategies

- Local funding strategy needs to be determined and coordinated with stakeholders
- Federal steps are established, but many unknowns
- The key is to continue to identify and pursue funding sources, so we are prepared to take advantage of opportunities when they arise

Financing Tools at a Glance

Financing Tools	Repayment	Cost/Risk	Benefit	Drawback
General Obligation Bonds	Full faith and credit of government	Typically lower risk and lower interest rates	Lower interest rate can save millions in total financing costs	Budgetary risk to project sponsor if tax collections are lower than expected
Revenue Bonds	Specific revenue source (e.g., sales tax, property taxes, user fees)	Typically a higher risk to investors resulting in a higher interest rate	Lower budgetary risk - investors have no claim on general tax collections	Higher interest rates raise the cost of building a project
Tax Increment Bonds	Building transit increases surrounding land values—providing additional property tax revenues used to repay bondholders	Real estate development takes time and increased revenues may come more slowly—this tends to raise risk and interest rates	Building transit catalyzes development—tax increment bonds tap into this development to help fund the project	Real estate markets fluctuate and forecasted growth may happen more slowly than originally anticipated
Grant Anticipation Notes	Federal formula	Formula funds are stable resulting in low risk and low interest rates	May have a lower interest rate than traditional government bonding options	Obligating future federal funds
Private Capital	Full faith and credit or a specific revenue stream	Private capital provided through public-private partnership typically has higher cost than other bonding options	Public-private partnerships can provide benefits that make increased cost worthwhile	More costly than traditional municipal bond markets
Private Activity Bond	Private entity is responsible for repayment	Risk and cost depend on the repayment source pledged by private entity	Private entity responsible for repayment - debt does not count against public borrowing caps	Must apply to USDOT for authorization to issue a private activity bond—(PAB only possible within public-private partnership)
TIFIA	Full faith and credit or a specific revenue stream	Federal government assumes risk and offers low-cost, flexible loan	Lower interest rate and delayed repayment	Must apply to USDOT
RRIF	Project sponsor may pledge a variety of repayment sources	Federal government assumes risk and offers low-cost, flexible loan	Lower-cost and more flexible loan than other bonding options	Loan recipient must pay the lost reserve or "subsidy" cost
State Infrastructure Banks	Full faith and credit or a specific revenue stream	Risk depends on specifics of project - state bank sets the interest rate	State bank loan may have lower cost than bond market	Not all states have an infrastructure bank

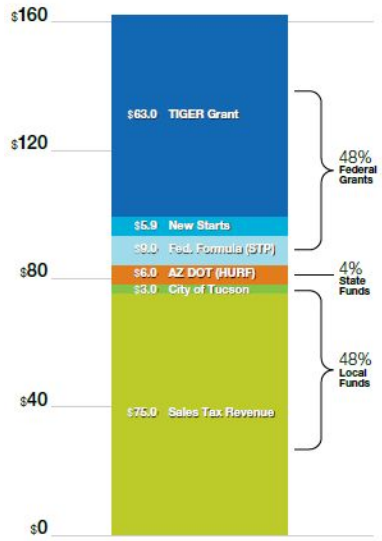
Transit Project Costs

UTAH TRANSIT AUTHORITY

$15 - $30 Million	$150 - $400 Million	$400 Million - $2 Billion	$2 - $5 Billion
Express Bus with System Improvements • Increased speeds, frequency, and fewer stops • New buses with branding • Electronic fare cards for rapid boarding • Signal prioritization • Enhanced stops, including shelters and street furniture • Modest increase to operations and maintenance budget	**Streetcars** • May operate in mixed traffic, on dedicated right-of-way, or a combination • Median and curb running • Overhead electrification • Short trains with mid-size rail cars that fit within existing street network • Dedicated maintenance facilities **Bus Rapid Transit** • Dedicated right-of-way for all or substantial portion of route • Larger articulated buses • Median and curb running	**Light Rail and Commuter Rail** • Larger trains traveling at higher speeds over longer distances • Stops farther apart • Dedicated and grade-separated right-of-way • Dedicated maintenance and storage facilities • Large stations with fare payment upon entrance • Parking at some stations	**Heavy Rail/Subway** • High-frequency, high-capacity trains • Dedicated and grade-separated right-of-way • Third rail electrification • Large stations with fare payment upon entrance • Specialized maintenance and storage facilities • Significant operations and maintenance expenses
Daily Ridership: 800 – 2,000	**Daily Ridership**: 5,000 – 8,000	**Daily Ridership**: 10,000 – 30,000	**Daily Ridership**: 40,000 +
Population within ½ Mile of Corridor: 8,000 – 12,000	**Population within ½ Mile of Corridor**: 20,000 – 40,000	**Population within ½ Mile of Corridor**: 35,000 – 100,000	**Population within ½ Mile of Corridor**: 150,000 +
Employment within Corridor: 5,000 – 10,000	**Employment within Corridor**: 15,000 – 50,000 Jobs	**Employment within Corridor**: 30,000 – 90,000 Jobs	**Employment within Corridor**: 90,000 + Jobs
Time to Complete: 1-2 years	**Time to Complete**: 4-6 years	**Time to Complete**: 6-10 years	**Time to Complete**: 10-15 years
Possible Funding/Financing: • Local transportation funds • FTA formula funds • FTA discretionary grants • State funds	**Possible Funding/Financing**: • Local sales tax • Local/municipal bonds • State grants • Federal loan • Federal grants, formula funds	**Possible Funding/Financing**: • Local sales tax • Local/municipal bonds • Tax increment financing • State grants • Federal loan • Federal grants, formula funds • Private capital through a public-private partnership	**Possible Funding/Financing**: • Local sales tax • Local/municipal bonds • Special assessment district • Tax increment financing • State grants and loans • Federal loan, grants, and formula funds • Private capital through a public-private partnership

7 This table was developed with the assistance of local transit agencies regarding cost, ridership, and time to completion as well as with data on population and employment from the National Transit Oriented Development database: http://toddata.cnt.org/index.php

Funding Scenario Example



Tucson, AZ Modern Streetcar

Financing[3]	System Design[4]
Federal: • TIGER Grant: $63,000,000 • New Starts Grant: $5,980,000 • Surface Transportation Program: $9,000,000 **State:** • Highway Users Revenue Fund (AZ DOT): $6,000,000 **Local:** • RTA (Sales Tax): $75,000,000 • City of Tucson: $3,000,000 • Gadsden Company: $3,000,000 • Tucson Water: $8,379,000 • City of Tucson (reserve commitment): $23,000,000	**Alignment:** • 3.9 miles total length • 17 stations • Fixed-guideway • Overhead electrification **Rolling Stock:** • 8 modern streetcars **Performance:** • 10/20 minute peak/off-peak headways • Operating in mixed traffic **Ridership:** • 3,250 weekday (2013) • 4,217 weekday (2020) **Population and Employment:[5]** • 44,224 population within ½ mile of the line • 64,151 total employment within ½ mile of the line

Parallel Efforts