

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	05/08/17	Open	Information	05/05/17

Subject: Background Information to Facilitate Discussion of RT Participation in Funding for the Downtown/Riverfront Streetcar Project

ISSUE

For informational purposes only.

RECOMMENDED ACTION

Information Only

FISCAL IMPACT

To Be Determined

DISCUSSION

The Downtown/Riverfront Streetcar project (“Streetcar Project” or “Project”) is a 5.2-mile line that will extend from the West Sacramento Civic Center to the Midtown entertainment and retail district in the City of Sacramento. The line will operate with modern double-articulated streetcars and has initially estimated (in 2015) to cost \$150 million to design and construct, and later, in 2016, estimated to cost \$200 million. The project has been pursued as a partnership between the City of Sacramento, City of West Sacramento, Sacramento Regional Transit District (RT), Yolo County Transportation District (YCTD) and the Sacramento Area Council of Governments (SACOG). Ultimately, the Streetcar Project will be jointly owned by Cities of Sacramento and West Sacramento through a Joint Powers Authority (JPA).

As the recipient of federal project funds, RT, as the local Federal Transit Administration (FTA) grantee, will obtain the Small Starts Grant Agreement (SSGA) and then provide the funds to the Project through a sub-recipient agreement with the JPA. The JPA will contract with RT for Design, Procurement, and Construction Management services. RT will then be the initial operator of the streetcar under a contract with a proposed Streetcar, Inc., a non-profit corporation under contract with the JPA to manage the streetcar services.

The Streetcar Project is at a critical juncture if it is to be awarded an FTA SSGA in calendar year 2017. Last week, Congress passed the Consolidated Appropriations Act for FY2017 to fund the federal government through the end of September with a final signature by the President expected on May 6th. The Act included \$50 million in FY17 for the Streetcar Project. The RT Board will need to make a determination whether or not RT should commit \$25 million in Proposition 1A (Prop 1A) grant funds (or some portion of this amount) to the Project to complete the local match for receipt of Federal funds.

Approved:

Final 5/5/17
General Manager/CEO

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Brief History of the Streetcar Project:

Preliminary discussions regarding the feasibility of a streetcar starter line connecting West Sacramento and Downtown Sacramento began in 2005. Support for the joint planning of a streetcar project was formalized in a Board approved four-party Memorandum of Understanding (MOU) between the City of Sacramento, the City of West Sacramento, RT and the YCTD in April of 2006. A feasibility study was commissioned in June of 2006. Between 2007 and 2008, the Project moved into preliminary planning, design engineering, and environmental review. Like many other projects, the Streetcar Project stalled during the 2008 recession.

The four-party partnership was renewed in 2009, with a new MOU that set forth an expanded Policy Steering Committee (PSC). West Sacramento applied for, but did not receive, federal funds to support a portion of the project in 2010. However, shortly thereafter, the City of Sacramento received federal funds to conduct a streetcar study. The City of Sacramento adopted a conceptual streetcar network in 2012 and a Locally Preferred Alternative was approved in September of 2013. The MOU was renewed in the Fall of 2013, adding SACOG as a partner, and the first steps toward completing the necessary environmental studies were undertaken. In May of 2014, the Streetcar Project received FTA approval to enter Project Development under the Small Starts Program and the recommended for inclusion in the Federal budget in February of 2015.

After a setback in June of 2015 (when a vote of property owners adjacent to the proposed streetcar line in Sacramento failed to meet the required threshold to pass a parcel tax -- a key component to the capital financing plan for the Project), environmental clearance work proceeded. The Project obtained California Environmental Quality Act (CEQA) clearance in August of 2015, with National Environmental Policy Act (NEPA) clearance following in February of 2016. The Streetcar Project was again recommended for inclusion in the Federal budget in February of 2016 with \$75 million. In April of 2016, the project development phase continued with an award of a design services contract to HDR, Inc. for preliminary civil, track, system, and station design. The Project Team also chose to revise the Small Starts Grant ask from \$75 million to \$100 million based on changes to the grant program created through the Fixing America's Surface Transportation (FAST) Act signed by the President in December of 2015.

In 2016, RT submitted a combined application for State Cap-and-Trade funding for \$55 million including \$30 million for the Streetcar Project and \$25 million for the Sacramento Valley Station (SVS) Loop project. The Streetcar Project received a \$30 million State Cap-and-Trade grant in August of 2016 while the SVS Loop was not funded. In January of 2017, HDR, Inc. was authorized to advance design to 100%, advance design of light rail relocation from K Street to H Street, and provide preliminary and final design of site work, overhead contact system, traction power substation, and signaling work for the Vehicle Maintenance and Service Facility.

The five-party MOU has been renewed and the parties, under the guidance of the PSC, have been diligently working on an interlocking set of governance agreements, meeting with utilities,

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and completing Requests for Proposals for both vehicle procurement and the design of the Vehicle Maintenance Facility.

Project Funding History:

When the Streetcar Project received FTA approval to move into Project Development the proposed budget for the Locally Preferred Alternative (Starter Line) was estimated to cost \$150 million. The local match funding sources for 50% of the Project costs were:

- \$25 Million – City West Sacramento
- \$ 7 Million – City of Sacramento
- \$ 3 Million – County of Sacramento
- \$10 Million – State of California
- \$30 Million – Parcel Tax - Streetcar-Adjacent Property Owners
- \$75 Million -- TOTAL

Though the capital project cost to be provided by the parcel tax failed to obtain voter approval, the Project subsequently received an award of \$30 million in State Cap-and-Trade funds.

In light of recent changes to the federal Small Starts grant program, the parties proposed a \$200 million project budget including the following additions to the Starter Line : (1) Moving light rail from K Street to H Street between 7th Street and 12th Street to make K Street more pedestrian friendly, reduce anticipated congestion and conflicts on K Street, allow Blue Line access to the SVS, and improve ADA accessibility with a new platform on H Street; (2) providing higher capacity service to Raley Field for special events using light rail tracks; and (3) extending streetcar service along Riverfront Street in West Sacramento.

As it currently stands, the Project’s \$200 million budget includes the following proposed local match funding:

- \$35 Million – West Sacramento
- \$30 Million – Cap and Trade
- \$ 7 Million – Sacramento
- \$ 3 Million – Sacramento County
- \$75 Million – TOTAL

The parties have recently learned that \$50 million in Small Starts Grant funding was included in the Consolidated Act for FY17 for the Streetcar Project. Future fiscal year appropriations would be necessary following a full funding grant from the FTA expected later this year.

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In order to secure the remaining \$25 million necessary to complete the \$100 million in local match for the \$100 million Small Starts grant funding, the Streetcar Project Management Team, led by SACOG has requested that RT commit \$25 million of RT’s Prop 1A funds to the Project.

Proposition 1A Funds Allocated to RT:

Prop 1A, or the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, was approved by California voters on November 4, 2008. As part of the Prop 1A bond proceeds, \$950 million was made available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements. RT was deemed eligible to receive these formula-based funds and was included in the update of the Bond Program in April 2011. In June 2012, \$25,223,000 was identified to fund the Sacramento Intermodal Facility Improvements Project (SVS Loop). The balance of RT’s identified Prop 1A funds is \$4,942,000, for a total of \$30,165,000 (Attachment 1).

In early 2012, the \$25 million in Prop 1A funds was designated for the construction of the SVS Loop project with an estimated cost of \$55M in order to “Relocate existing light rail track, passenger platform and associated systems to connect to new Sacramento Intermodal Facility and future High-Speed Rail Terminal.” In early 2016, at the request of Streetcar Project Management Team, RT requested California Transportation Commission to change the project description for the Prop 1A funds to: “Relocate existing light rail track, passenger platform and associated systems, and construct streetcar system (including track, passenger platforms, procure cars, etc.) to connect to new Sacramento Intermodal Facility and future High-Speed Rail Terminal.” This state bond fund requires a 50% local match, but it does not contain a clear expiration date. RT originally intended to use future additional local funding as the match for the Prop 1A funds so RT can start the SVS Loop project.

The full SVS Loop project proposes to relocate the existing Sacramento Valley Station (SVS) light rail station and change the orientation from an east/west alignment to a north/south alignment. It adds approximately one mile of light rail track and would allow light rail trains entering into the SVS to continue through the Railyards and connect back up with existing light rail tracks on 7th Street. This is a major transportation project to support City of Sacramento’s Railyards project – one of the largest urban development projects in the nation. However, RT has not yet allocated the necessary match funding for this project.

Staff has also identified an approximately \$12 million abbreviated version of the SVS Loop that extends the light rail tracks approximately 600’ into the Railyards area and relocates the existing SVS from an east/west alignment to the north/south alignment, but does not consist of a loop tying into 7th Street. The abbreviated version consists of an in-out alignment that does not extend the tracks to 7th Street, but would allow for a joint light rail and streetcar operation once the Downtown/Riverfront Streetcar project is in service. RT has also not allocated the necessary match funding for this project. However, the City of Sacramento, under an existing 2005

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agreement with RT, is committed to assisting in the funding of the light rail station relocation to make this abbreviated version of SVS Loop a reality.

If the initial phase of the SVS Loop Project, which includes the relocation of the SVS station related facilities, is not implemented prior to the start of Streetcar service, light rail and/or Streetcar will experience service reliability issues due to congestion at the current SVS. The loss of the storage tracks affect reliability and efficiency of the light rail system.

Last week, the Federal government appropriated \$50 million for the Streetcar Project, and the Streetcar Project Management Team expects that the Federal government will appropriate an additional \$50 million in future years. Before that can happen, the Sacramento region needs to commit \$100 million local funds to be eligible for a Small Starts Grant agreement. The Streetcar Project Management Team, the City of Sacramento and RT staff propose to use Prop 1A funds to complete the local match package, pending a federally funded Streetcar Project. The project will bring great value to RT, such as: 1) moving light rail from K Street to H Street to better serve the community; 2) enhancing RT's system by providing first mile and last mile accessibility and free transfers between two systems to grow ridership; 3) enhancing the regional intermodal network, and; 4) providing a framework to bring additional funds to connect the rail yards to the high speed rail (which is in line with the scope of the work of Prop 1A funds for the SVS loop.) As a separate topic, RT is working collaboratively with the City of Sacramento to modify the 1985 Operations and Maintenance Agreement to establish an equitable partnership.

The City of Sacramento has also promised to help with the future SVS Loop and storage track relocation, and supports the endeavor for additional local funding for RT. Both the City and RT have worked together very productively and diligently in the last year to build a strong partnership. Staff believes the partnership will get stronger in the future.

Attachment I

FORMULA SHARES FOR COMMUTER AND URBAN RAIL AGENCIES High-Speed Rail Passenger Train Bond Act

Commuter and Urban Rail Formula Program	Distribution Factors			Percentages			Share Distribution	
	Track Miles	Vehicle Miles	Pass Trips	Track Miles	Vehicle Miles	Pass Trips	Percentage	Amount
Altamont Commuter Express	90.0	781.3	706,858	5.2%	0.6%	0.2%	2.0%	\$14,974
Los Angeles County Metropolitan Transportation Authority	150.4	14,996.6	82,228,672	8.6%	12.3%	25.3%	15.4%	114,874
North County Transit District	97.7	1,325.5	1,560,729	5.6%	1.1%	0.5%	2.4%	17,833
Peninsula Corridor Joint Powers Board	136.7	6,717.9	10,264,225	7.9%	5.5%	3.2%	5.5%	41,026
Sacramento Regional Transit District	73.1	4,251.3	14,489,691	4.2%	3.5%	4.5%	4.1%	30,165
San Diego Trolley, Inc.	102.6	8,038.0	35,114,385	5.9%	6.6%	10.8%	7.8%	57,855
San Francisco Bay Area Rapid Transit District	267.6	66,387.3	109,019,696	15.4%	54.4%	33.6%	34.5%	256,639
San Francisco Municipal Railway	88.6	5,549.1	48,858,450	5.1%	4.5%	15.1%	8.2%	61,308
Santa Clara Valley Transportation Authority	79.6	3,537.7	10,278,460	4.6%	2.9%	3.2%	3.5%	26,419
Southern California Regional Rail Authority	653.4	10,454.9	12,018,859	37.6%	8.6%	3.7%	16.6%	123,707
Total, Eligible Rail Agencies	1,739.7	122,039.6	324,540,025	100.0%	100.0%	100.0%	100.0%	744,800
Bond Administration (2%)								15,200
Total Bond Authorization								\$760,000

Data source: National Transit Database, Federal Transit Administration, 2007 Data Tables

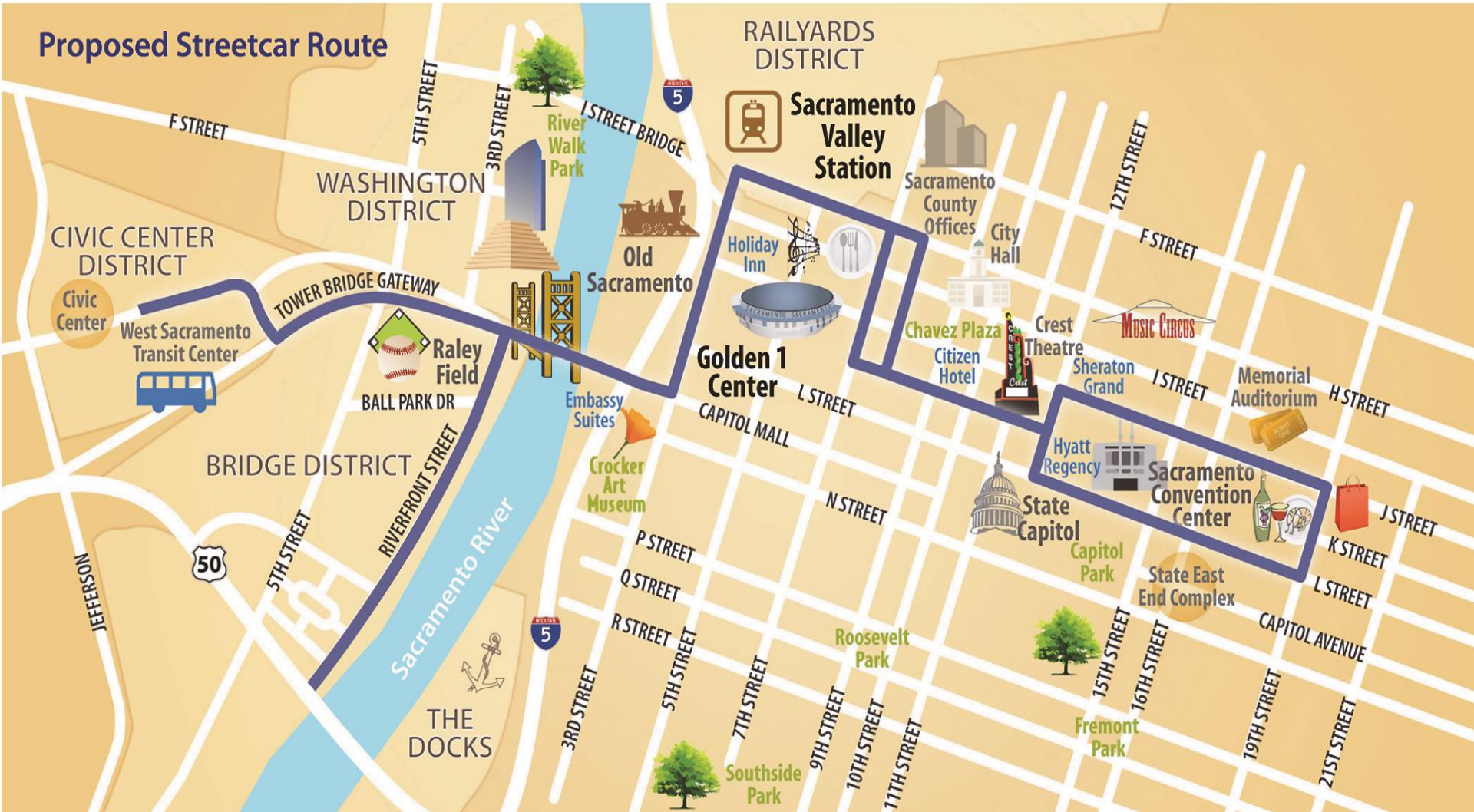
Vehicle miles are annual miles in thousands.

Dollars in thousands.

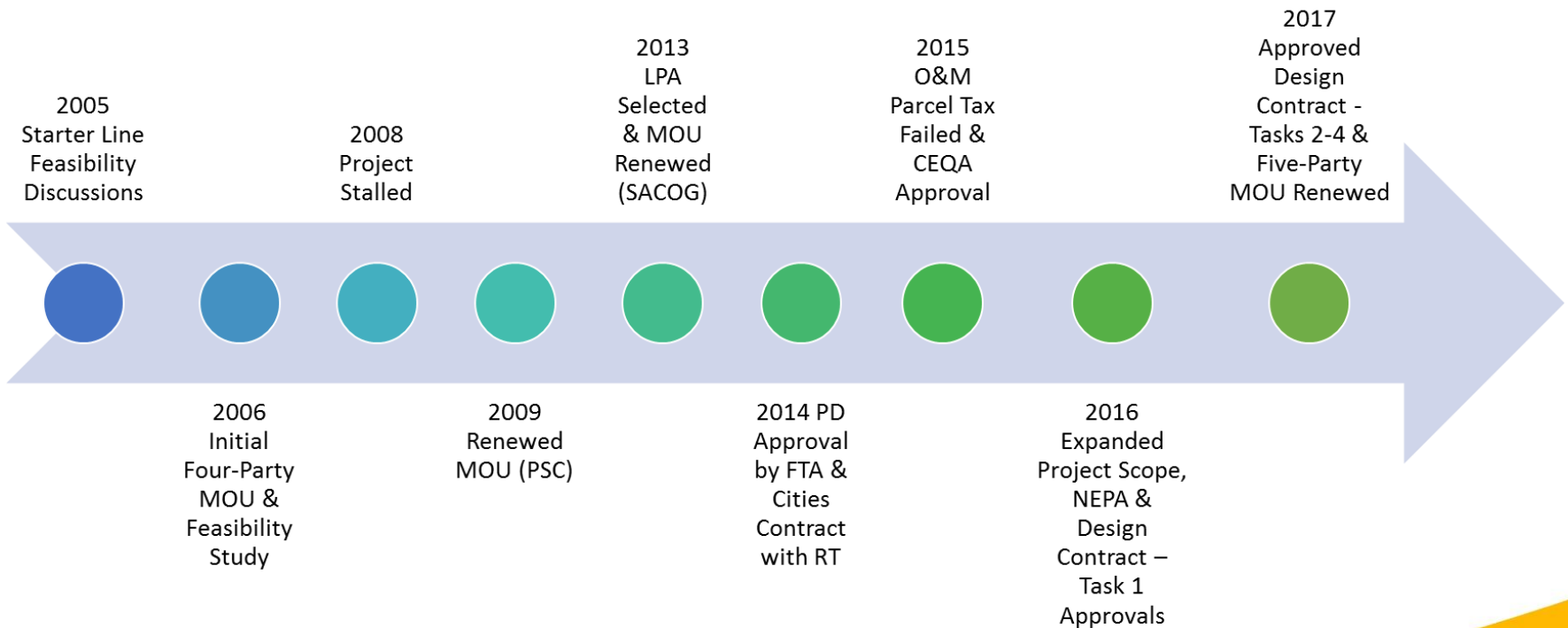
Discussion of RT Participation in Funding for the Downtown/Riverfront Streetcar Project

Agenda Item 11

Proposed Streetcar Route



Streetcar Project Timeline



Proposed Summary of Streetcar Funding - \$150 Million

Agency Name	Amount
City of West Sacramento	\$25 Million
City of Sacramento	\$7 Million
County of Sacramento	\$3 Million
State Funding	\$10 Million
Proposed Parcel Tax – Streetcar Adjacent Property Owners*	\$30 Million
Federal Small Starts	\$75 Million

Note: This project was included in the Federal 2014 budget

*Subsequently, this tax was not approved by voters

Proposed Summary of Streetcar Funding - \$200 Million

Agency Name	Amount
City of West Sacramento	\$35 Million
City of Sacramento	\$7 Million
County of Sacramento	\$3 Million
Cap and Trade (TIRCP)	\$30 Million
Federal Small Starts	\$100 Million
Subtotal	\$175 Million
Available funds that can be used for Streetcar Proposition 1A*	\$25 Million

Proposition 1A Funding Requirements

- Original Scope: Provide connectivity to the high speed train system for capacity requirements and safety improvements.
- Revised Scope: Further expanded to allow for the relocation of existing light rail track, passenger platforms and associated systems, and construct streetcar system to connect to new Sacramento Intermodal facility.

Note: Requires a 50% local match & no expiration

Discussion