

# City of Cincinnati



Date: November 3, 2010

To: Mayor and Members of Council  
From: Milton Dohoney, Jr., City Manager  
Subject: Cincinnati Streetcar Project Update – October 2010

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The purpose of this memo is to provide an update on the progress of the Cincinnati Streetcar project.

## **Funding/Financing**

To date, approximately \$114.5 million in federal, state, and local funding has been identified for the streetcar project. This represents approximately 90% of the \$128 Million total capital project cost.

The City continues to pursue several state and federal funding opportunities for the streetcar project, including:

- *TRAC funding*  
The City has submitted two applications for the next round of funding through the Ohio Department of Transportation's Transportation Review Advisory Council (TRAC). The City submitted a Tier 1 application for \$35 million in construction funding for Phase 1 of the streetcar and a Tier 2 application for \$1.75 million to fund planning and design work for Phase 2 of the streetcar. The Tier 2 application coordinates planning needed for the Uptown Circulator that will comprise Phase 2 of the streetcar with SORTA's plans to locate a transit hub in the Uptown area. On October 21, City staff presented both applications at the TRAC's Southwest Regional Meeting. ODOT staff is currently reviewing and scoring applications. A draft list of awards is expected in December 2010.
- *TIGER II*  
On October 20, the US Department of Transportation (USDOT) announced funding awards made through the TIGER II program. Over \$19 Billion in requests were received for only \$600 million in funding. The City submitted an application for \$35 Million to fund Phase 1 construction, but was not among the list of projects that received awards.
- *HUD Community Challenge Planning Grant*  
On October 21, the US Department of Housing and Urban Development (HUD) announced funding awards through the HUD Community Challenge Planning Grant program. The City of Cincinnati was awarded \$2.4 Million in funding through this program, which was a joint issuance by HUD and USDOT as part of the Partnership for Sustainable Communities between HUD, USDOT, and the US Environmental

Protection Agency. The Cincinnati award was one of the largest and will fund the development of a Unified Development Code, which will include Transit-Oriented Development (TOD) guidelines and inclusionary zoning that will complement the streetcar by establishing a regulatory framework and land use planning that will help stimulate higher density, mixed-use development.

- *Alternatives Analysis Grant application*

The Federal Transit Administration's (FTA) Alternatives Analysis Grant program assists transit projects in financing the evaluation of all reasonable modal and multimodal alternatives and general alignment options for identified transportation needs. The City has applied for an Alternative Analysis Grant to fund AA work related to Phase 2 of the streetcar. This work will help determine the best means of connecting the Uptown Connector to the planned Transit Hub in the Uptown area and is a critical component of FTA's New Starts grant process, which is envisioned as a potential source of funding for Phase 2. The award announcement is expected in the fall of 2010.

City and project staff have been working diligently with staff from the Federal Transit Administration's (FTA) Region 5 office, which serves as the lead federal agency on the project, to navigate the federal grant process and associated guidelines and requirements. In late September, City staff met with staff from Region 5 to review progress and align the federal processes with the status of the City's project. FTA and City discussions have centered recently on a number of items, including:

- *Memorandum of Understanding (MOU) with SORTA*

As the eligible local recipient of FTA funds, SORTA will serve as the pass-through agency for the federal grant funds that have been awarded to the streetcar project to date. A MOU between SORTA and the City outlining this arrangement is necessary to facilitate the processing of these grants by FTA. A draft MOU, developed in consultation with FTA regional staff was submitted to FTA for final review and approval. FTA has provided feedback on the draft as well as guidance for further revisions. City and SORTA staff are revising the document to incorporate FTA feedback.

- *Procurement Review*

City and SORTA staff continue to work with FTA regional staff as part of FTA's review of the City's procurement process to ensure compliance with FTA requirements. This review is anticipated to be complete in the next month.

Also, , the City is reviewing additional guidance provided by Region 5 regarding compliance with federal Buy America provisions and real estate acquisition.

### **Environmental Document**

In addition to the reviews and approvals listed above, the most critical next step is FTA's approval of the Environmental Assessment (EA) document for the streetcar project. The federal grant funds that have been awarded to the project cannot be expended until approval of the City's EA is complete. In addition, this approval will allow the project to remain eligible for current and future federal funding opportunities.

A revised draft EA responding to comments received from FTA Region 5 was submitted to FTA on August 30. FTA has since provided additional comments from FTA Headquarters in

Washington, DC, which are currently under review by the project team and to which the City will respond in the next few weeks. Likewise, as part of the EA review, a revised Cultural Resources document, responding to comments received from the Ohio Historic Preservation Office (OHPO) was submitted to OHPO on September 3. The Cultural Resources report is part of OHPO's review to determine the project's potential impacts on historic properties in accordance with Section 106 of the National Historic Preservation Act. OHPO responded to the revised Cultural Resources Report on October 26. Project staff will be meeting with OHPO in the coming weeks to progress this report.

### **Operating Plan**

Development of the operating plan for the Cincinnati Streetcar is ongoing. The most recent estimates reflect an annual operating and maintenance cost of approximately \$3 million, a decrease from the \$3.5 million annual operating cost projected in 2007.

In late September, the project team hosted a two-day peer review of the Cincinnati Streetcar to solicit input on operating assumptions, vehicle selection, and other aspects of the project. The review included the CEO and other officials of San Diego Metropolitan Transit System, the Executive Director of Greater Dayton Regional Transit Authority, and operations officials from Greater Cleveland Regional Transit Authority. This peer review was done earlier in the development process than is typically done and the expertise and experience that these transit officials brought to bear has proven invaluable as the Cincinnati team progresses the operating plan.

### **Schedule/Construction**

Coordination efforts with utility companies regarding relocation of utilities that may be impacted by the project continues.

Project design is expected to reach a 30% level within the next few weeks. At this stage, commencement of construction activity is critically dependent on the FTA's approval of the EA document and authorization from FTA to continue with additional design activities and material procurement, such as rail.

In addition, the project team continues to evaluate potential vehicle manufacturers. In order to facilitate the procurement of vehicles, the project team has narrowed its initial list of potential suppliers to those that are both compliant with FTA Buy America provisions and offer the ability for the City to "piggyback" on an existing contract. Under such contracts, the City could purchase vehicles by exercising options through an existing contract with another city with minor modifications. Utilizing such options, which are available through contracts which have already been approved by FTA, will allow the City to save time and money.

This report is provided for informational purposes only. No action by City Council is required.

Cc: Chris Eilerman, Assistant to the City Manager  
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