

City of Cincinnati



Date: August 2, 2010

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

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.

On July 8, the Streetcar project was awarded \$25 million in funding from the Federal Transit Administration's Urban Circulator Grant Program. Part of the U.S. Department of Transportation's Livability Initiative, this program funds fixed rail urban circulator transit projects on a competitive basis. The Cincinnati Streetcar was one of only five streetcar projects funded and received the maximum award possible. This award indicates that FTA, like our state and regional partners, recognizes the broad economic benefits of the Cincinnati Streetcar.

With this grant, the FTA is now serving as the lead federal agency on the project. In July, the lead FTA contact for the project from the FTA's Region V Office visited Cincinnati to meet the project team, hear a full briefing on the project and tour the route. FTA staff will be participating regularly in future project meetings and are working with the project team to navigate the federal grant process. There are a number of steps in this process including review of the City's procurement processes, inclusion of the streetcar project on the regional Transportation Improvement Plan (TIP) and State Transportation Improvement Plan (STIP), and completion of a Memorandum of Understanding (MOU) with SORTA, the local eligible recipient of FTA funds, to serve as the pass-through for federal funds.

Project staff is working with OKI to incorporate the streetcar projects into planned amendments to the TIP and STIP. In addition, staff is preparing information regarding the City's procurement process for review by FTA. Finally, City and SORTA staff are working with FTA to finalize a draft MOU to allow SORTA to serve as the pass-through for federal funds.

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

- *TIGER II*
Funded through the FY 2010 Transportation /HUD Appropriations Bill, this program makes approximately \$600 million available for National Infrastructure Investments. The minimum grant award is \$10 million. The application process is a two-part process. The City submitted a pre-application by the July 26 deadline indicating the City's intent to apply for \$35 million in construction funding for Phase 1 of the streetcar. Full applications are due August 23. Awards will not be made sooner than September 15, and will likely be made in late 2010.
- *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. A draft list of awards is expected in December 2010. The Cincinnati Streetcar scored the highest of any project in the state during the allocation of funding from the last TRAC allocation process.
- *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.

Environmental Document

With the award of federal funds to the project, compliance with the National Environmental Policy Act (NEPA) is a critical next step. The Urban Circulator, TRAC and OKI funds that have been awarded cannot be expended until approval of the City's Environmental Assessment (EA) document is complete. In addition, this approval will allow the project to remain eligible for current and future federal funding opportunities.

FTA is currently reviewing the draft EA part of the NEPA process, a Section 106 review by the Ohio Historic Preservation Office (OHPO) to determine the project's potential impacts on historic properties is also necessary. The City is currently working to address comments received from OHPO regarding the project's Section 106 compliance.

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.

The project team is finalizing analysis of revenues, as well as updated ridership estimates that will be part of the operating plan.

Schedule/Construction

The project team has sent technical specifications on Vine and West Clifton to several vehicle manufacturers for review and response to gauge the capabilities of their streetcar vehicles relative to the grades connecting the downtown circulator route to Uptown. This information was solicited from United Streetcar/Oregon Iron Works, Siemens, Inekon, Kinkisharyo and Bombardier. All indicated that the grades on Vine and West Clifton were within current specification or would require only modest modifications to be within the requirements. The Uptown stakeholder group has met twice to discuss the Uptown Alignment and deliberations are on-going.

Coordination with 3CDC regarding the streetcar's interface with the Washington Park project continues. Concerns raised by 3CDC's project team regarding garage access, on-street parking, and pedestrian access are being incorporated into decision making about potential stop locations around Music Hall and Washington Park.

The project team has continued their efforts to coordinate with the various utility companies that may be impacted by the project. The project team has met with the Greater Cincinnati Water Works, Metropolitan Sewer District, and Cincinnati Bell, and will convene coordination meetings with both the gas and electric divisions of Duke Energy in the next two weeks. This work will be consolidated into a master utility coordination document for use by the project team for coordination and relocation design work.

Transit-Oriented Development Zoning Classification

The Department of City Planning and Buildings is applying for Community Challenge Planning Grant funds through the Department of Housing and Urban Development. The project submitted for funding will include the development of Transit-Oriented District (TOD) regulations. The establishment of a transit-oriented development zoning classification will help promote density around the streetcar route. This is a critical step in reducing parking demands and will maximize the streetcar's ability to catalyze development within the service area

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

Cc: Chris Eilerman, City Manager's Office
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