



KRM Commuter Rail New Starts Application



April 2010



KRM Commuter Rail Studies

Elements of Study and New Starts Application

- **Transit Alternatives Analysis**
 - **Completed in 2007 and updated in 2009**
- **Draft Environmental Impact Statement**
 - **Completed in 2009**
- **“New Starts” Application to Federal Transit Administration (Project Evaluation)**
 - **Application submitted and withdrawn in 2007 and updated in 2009**



KRM Commuter Rail Studies (continued)

Responsible Authorities

- **2009 Application**
 - **Southeastern Regional Transit Authority (SERTA)**
 - **Intergovernmental Partnership**
 - **Technical Steering Committee**
- **2007 Application**
 - **“Temporary” and “Limited Authority” Southeastern Wisconsin Regional Transit Authority (2005-2007 State budget)**
 - **Intergovernmental Partnership**
 - **Technical Steering Committee**



Federal Discretionary (New Starts) Grant Application

Sections of New Starts Application

- **1.0 Project Background**
- **2.0 Certification of Technical Methods**
- **3.0 Travel Forecasts**
- **4.0 Operating and Maintenance Costs**
- **5.0 Capital Costs**
- **6.0 Project Justification Measures**
- **7.0 Land Use and Economic Development**
- **8.0 Local Financial Commitment**
- **9.0 Project Management Plan**
- **10.0 Before and After Study Plan**
- **11.0 KRM Support**



1.0 Project Background

- **KRM commuter rail alternative description**
 - **33-mile commuter rail line on existing UP/CPR freight lines, connecting Milwaukee and Racine to existing Chicago-Kenosha commuter rail**
- **Baseline alternative description**
 - **Expanded commuter bus service in KRM Corridor**
- **Status and history of project development**
 - **AA/DEIS completed in 2009**
 - **SERTA to submit New Starts application to FTA**
- **“Making the Case” for KRM commuter rail**
 - **Goals to be addressed**
 - **Benefits and comparison to baseline alternative**
 - **Potential uncertainties in cost estimates and ridership forecasts**



2.0 Certification of Technical Methods

- **Provides certification that technical approaches and assumptions used in application adhere to FTA guidelines**
 - **Planning horizon is 2035, based on SEWRPC long-range regional transportation plan**
- **Includes blank templates to be completed in *7.0 Land Use and Economic Development* and *8.0 Local Financial Commitment* sections**



3.0 Travel Forecasts

- **Describes methodology for forecasting ridership and estimated user benefits**
 - **Developed in coordination with FTA staff and in accordance with FTA requirements**
- **Forecast ridership – about 8,300 daily project trips**
- **Annual user benefits - about 1 million hours**
 - **County proportions - 57% in Milwaukee, 25% in Racine, and 17% in Kenosha**



4.0 Operating and Maintenance Costs

- **Discusses approach and assumptions for estimating commuter rail and bus operating and maintenance (O&M) costs**
 - **Methodology paper sent to FTA in December 2009**
- **MCTS and Wisconsin Coach Lines**
 - **Four O&M cost drivers used, including vehicle-hours, vehicle-miles, number of buses, and number of maintenance garages**
- **Commuter rail**
 - **Used actual O&M costs from Northstar Commuter Rail in Minneapolis along with O&M cost data from other peer commuter rail systems across the U.S.**
 - **Annual O&M costs - \$12.5 million (2009 dollars – does not include commuter rail-related bus costs)**



5.0 Capital Costs

- **Describes assumptions used to estimate capital costs from various sources of unit cost data**
- **Follows Standard Cost Categories (SCC) workbook developed by FTA**
 - **Total capital cost estimate broken down by individual cost categories**
 - **A 12.5% contingency is allocated to each category, plus additional 5% contingency added to total cost**
 - **Annual cost inflation rate – 3.64%**
 - **Capital cost estimate for KRM commuter rail**
 - **\$233.1 million (2009 dollars)**
 - **\$283.5 million (year-of-expenditure dollars)**



6.0 Project Justification Measures

- **Provides project justification measures**
 - **Mobility improvements**
 - **Annual new transit trips – about 1.7 million**
 - **Annual hours of user benefits – about 1 million**
 - **User benefits per passenger-mile – 2.8 minutes**
 - **Cost effectiveness**
 - **Cost per hour of user benefits - \$27.80**
 - **Cost per new transit trip - \$16.59**
 - **Operating efficiencies**
 - **O&M cost per passenger-mile - \$0.70**
 - **Environmental benefits**
 - **Nonattainment area for 2006 PM 2.5 (particulate matter) and 8-hour ozone standards**
 - **Other factors**
 - **Additional potential benefits not quantified in rest of application are described**



7.0 Land Use and Economic Development

- **Discusses existing land use, transit-supportive plans and policies, and performance and impacts of these policies**
- **Transit-oriented development (TOD) land use plans for KRM station areas**
 - **Each TOD plan identifies the planned development and redevelopment within a 1/2-mile radius of a proposed station**
- **Job access and economic development**
 - **Nearly 1 million jobs within 1 mile of KRM and Metra UP North lines**
 - **Access to Milwaukee and Chicago airports**
 - **Access to cultural and educational facilities**



8.0 Local Financial Commitment

- **Financial Plan**
 - **Assumes initial \$9 vehicle rental fee enacted in May 2010, with revenues collected beginning September 1, 2010**
 - **Assumes increase to full \$18 vehicle rental fee plus inflation in March 2012, with increased revenues collected beginning July 1, 2012**



8.0 Local Financial Commitment (continued)

- **Capital Plan (costs and funding sources)**
 - **Cost - \$283.5 million (year-of-expenditure dollars)**
 - \$170.1 million FTA New Starts discretionary grant
 - \$18.0 million FHWA CMAQ grants
 - \$46.1 million State Capital Assistance Programs
 - \$41.2 million SERTA direct investment
 - \$8.1 million SERTA bonds

- **Operating Plan (costs and funding sources)**
 - **Cost - \$13.4 million (2009 dollars, inflated at 5.8%)**
 - FTA 5307 commuter rail floor - constant \$4.6 million
 - State 85.20 operating assistance –
\$8.2 to \$10.6 million (2017 to 2028)
 - Fare revenues - \$5.0 to \$6.6 million (2017 to 2028)
 - SERTA vehicle rental fee revenues –
\$10.0 to \$14.2 million (2017 to 2028)



8.0 Local Financial Commitment (continued)

- **Under base scenario with conservative assumptions, cash balance is \$43.1 million in 2028, with a positive but declining net cash flow**
- **Sensitivity Analysis and Contingency Plan**
 - **Demonstrates SERTA's ability to fund project under very pessimistic assumptions**
 - **1. High capital costs of \$267.5 million (2009 dollars)**
 - **2. Vehicle rental fee revenue shortfall of 80%**
 - **3. O&M costs 15% higher**
 - **4. Ridership (fare revenues) 50% lower**
 - **Combination of all four above "stress tests"**
 - **SERTA is able to maintain a positive cash balance through 2028 under each test, but net cash flow begins to go negative prior to 2028 in each case, resulting in significantly lower cash balances**



8.0 Local Financial Commitment (continued)

- **Risks and Uncertainties**
 - **60-day working capital reserve fund**
 - **Covers any immediate cash flow problems which may arise during operation**
 - **17.5% contingency added to capital costs**
 - **Stability of capital and operating funding for existing transit systems is discussed**
 - **Includes summary of proposed legislation providing dedicated local funding for transit systems in southeastern Wisconsin**



9.0 Project Management Plan

- **Provides initial plan for completing next four stages of project development**
 - **To be continuously updated as project progresses**
- **SERTA to decide how to staff a Design and Construction Team which would complete Preliminary Engineering/FEIS, Final Design, Construction, and Implementation**
 - **SEWRPC will aid in transition and provide support**
 - **SERTA Executive Director should be hired**
 - **Project Management Consultant**
 - **May be hired to manage engineering work efforts and perform portion of administrative and contract tasks**
 - **General Engineering Consultant**
 - **Would focus on engineering design and construction**



10.0 Before and After Study Plan

- **Provides plan to document changes in the project during its development and assess the accuracy of forecasts prepared during planning and development**
- **Five areas of information are to be reported to FTA just prior to each stage of development, as well as two years after service is initiated**
 - **1. Project scope**
 - **2. Transit service levels**
 - **3. Capital costs**
 - **4. Operating and maintenance costs**
 - **5. Ridership patterns and revenues**



11.0 KRM Support

- **Lists those endorsements of the concept of KRM commuter rail, including:**
 - **Elected officials**
 - **Businesses**
 - **Economic development interests**
 - **Education leaders**
 - **Labor organizations**
 - **Faith-based organizations**
 - **Community leaders and activists**
 - **Other local organizations and agencies**
- **Summarizes comments from public meetings held for the project**
- **Includes local government resolutions endorsing proposed KRM commuter rail**



Next Steps

- **Commuter Rail Project Next Steps**
 - **Determine to submit “New Starts” application to FTA for consideration of discretionary Federal funding to enter Preliminary Engineering**
 - **FTA decision on entering Preliminary Engineering**
 - **Conduct Preliminary Engineering**
 - **Apply to FTA for Final Engineering and Design funding**
 - **FTA decision on entering Final Engineering and Design**
 - **Conduct Final Engineering and Design**
 - **FTA Decision on Full Funding Grant Agreement**
 - **Construction**
 - **Service operations begin**