

Appendix F

Potential Funding Sources Research



CONNECT COBB
Northwest Transit Corridor Alternatives Analysis
December 2012

Appendix F

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This appendix provides detail on how other major capital transit projects across the U.S. have utilized federal, state, and local funding sources as part of their plans of finance; these sources and their applicability to the Northwest Atlanta corridor project are defined in Section 7 of this report. Current examples of other projects that have utilized these sources to pay for capital costs are described in the following sections.

FTA Section 5309 Funding

As explained in Section 7 of this report, the Federal Transit Administration's (FTA) Section 5309 New Starts program is expected to be the primary federal funding source for the Northwest Atlanta corridor project. In fact, this is the primary funding source for the vast majority of similar major transit projects currently under development in the U.S. Table D-1 provides a summary of planned capital funding sources for 26 high-capacity fixed guideway projects that were included in the FTA's Federal Fiscal Year (FFY) 2013 Annual Report on Funding Recommendations: New Starts and Small Starts Project Profiles issued in January 2012. As shown in the table:

- Funding from the New Starts program typically covers between 50 percent to 60 percent of total project costs;
- New Starts funding levels for fixed guideway projects ranged between approximately \$120.0 million (Draper Light Rail Transit (LRT) Line Extension) to \$2.6 billion (Long Island Rail Road Eastside Access (Tunnel) Project).
- The average New Starts funding level for a project in all phases of the project development process (Preliminary Engineering, Final Design, and Full Funding Grant Agreement) is approximately \$800.0 million.

Based on information summarized in Table D-1, it is realistic to assume that the project selected for the Northwest Atlanta corridor would be eligible to receive New Starts funding on the order of 50 percent to 60 percent of total project costs.

**Table D-1: FFY 2013 New Starts and Small Starts Funding Levels
(YOE \$, in millions)**

	Total Cost	New Starts % Share	New Starts Amount
NEW STARTS PROJECTS			
Full Funding Grant Agreements			
Long Island RR East Side Access - NYC	\$7,386.0	35.6%	\$2,632.11
Second Avenue Subway Phase 1 - NYC	\$4,866.6	26.7%	\$1,300.00
Dulles Metrorail - Northern Virginia	\$3,142.5	28.6%	\$900.00
Eagle Commuter Rail Program - Denver	\$2,043.1	50.4%	\$1,030.45
University Link LRT - Seattle	\$1,947.7	41.7%	\$813.00
Northwest/Southeast LRT - Dallas	\$1,406.2	49.8%	\$700.00
Central Corridor LRT - St. Paul-Minneapolis	\$956.9	49.5%	\$473.95
Southeast Corridor LRT - Houston	\$822.9	54.7%	\$450.0
North Corridor LRT - Houston	\$756.0	59.5%	\$450.0
New Britain - Hartford Busway, Hartford	\$567.1	48.5%	\$275.3
Central FL CRT - Initial Segment, Orlando	\$357.3	50.0%	\$178.6
Draper LRT - Salt Lake City	\$190.6	60.9%	\$116.2
Average	\$2,036.9	46.3%	\$776.6
Final Design			
Honolulu High Capacity Transit Corridor Project	\$5,126.0	30.2%	\$1,550.0
Silicon Valley Berryessa Extension - San Jose	\$2,330.0	38.6%	\$900.0
3rd St. Light Rail Phase 2 - Central Subway - San Francisco	\$1,578.3	59.7%	\$942.2
Milwaukee LRT - Portland	\$1,490.4	50.0%	\$745.2
Average	\$2,631.2	44.6%	\$1,034.5
Preliminary Engineering			
Westside Subway Extension - Los Angeles	\$5,663.3	42.4%	\$2,399.5
Columbia River Crossing - Vancouver	\$3,507.9	24.2%	\$850.0
Red Line - Baltimore	\$2,219.3	50.0%	\$1,109.0
National Capital Purple Line - Maryland	\$1,925.5	50.0%	\$962.6
Mid Coast Corridor Transit Project - San Diego	\$1,803.2	49.4%	\$891.0
University Corridor LRT - Houston	\$1,563.1	50.0%	\$781.5
Regional Connector Transit Corridor - Los Angeles	\$1,342.5	50.0%	\$671.3
Southwest LRT - Minneapolis	\$1,250.5	50.0%	\$625.2
LYNX Blue Line Extension - Northeast Corridor - Charlotte	\$1,069.2	50.0%	\$534.6
South Corridor Phase 2 - Sacramento	\$270.0	50.0%	\$135.0
Average	\$2,061.4	46.6%	\$896.0

Source: Annual Report on Funding Recommendations: New Starts and Small Starts Project Profiles, January 2012.

Note: Under MAP 21, Preliminary Engineering and Final Design have been combined into a single Engineering Phase. The FFY 2014 Budget which will be published in February 2013 will combine Preliminary Engineering and Final Design for the first time.

FTA Section 5307 Urbanized Area Funds

Section 5307 Urbanized Area funds are apportioned to urban areas with populations of 200,000 based on a combination of bus revenue vehicle miles, bus passenger miles, fixed guideway revenue vehicle miles, and fixed guideway route miles as well as population and population density. These funds can be used for capital costs as well as preventive maintenance of capital infrastructure.

Table D-2 summarizes the New Starts projects that have included the use of Section 5307 funds to support planning and engineering activities and/or to support project construction. As shown in the table, of the 26 New Starts projects included in the FFY 2013 budget, only six projects intend to use Section 5307 formula funds to support implementation of a fixed guideway project. Funding levels range from \$3.00 million (University Link) to \$244.0 million (Honolulu High Capacity Transit Corridor Project).

Table D-2: FFY 2013 New Starts Projects: FTA Section 5307 Funding Levels (YOE \$, in millions)

	Total Cost	Other Federal Sources	% Share	Amount
NEW STARTS PROJECTS				
Full Funding Grant Agreements				
Long Island RR East Side Access – NYC	\$7,386.00	Section 5307 Urbanized Area	0.2%	\$16.3
Second Avenue Subway Phase 1 – NYC	\$4,866.61	Section 5307 Urbanized Area	1.0%	\$48.2
University Link LRT – Seattle	\$1,947.68	Section 5307 Urbanized Area	0%	\$3.00
New Britain (CT)- Hartford Busway	\$567.05	Section 5307 Urbanized Area	2.9%	\$16.4
Final Design				
Honolulu High Capacity Transit Corridor Project	\$5,125.96	Section 5307 Urbanized Area	4.8%	\$244.0

Source: *Annual Report on Funding Recommendations: New Starts and Small Starts Project Profiles, January 2012.*

Note: Under MAP 21, Preliminary Engineering and Final Design have been combined into a single Engineering Phase. The FFY 2014 Budget which will be published in February 2013 will combine Preliminary Engineering and Final Design for the first time.

Flexible FHWA Funds:

Table D-3 summarizes Federal Highway Administration (FHWA) funding sources that are eligible to be “flexed” (transferred) to the FTA for use on transit projects. For fixed guideway projects included in the FFY 2013 Budget, the primary FHWA flexed funds include the Congestion Mitigation and Air Quality Improvement Program (CMAQ) and Surface Transportation Program (STP). As shown in the table, 11 New Starts projects in FFY 2013 Budget included CMAQ and/or STP funds as a component of their respective financial plans. Funding levels ranged from approximately \$2.0 million to approximately \$75.0 million. One project, Portland’s Milwaukee LRT Project, issued Grant Anticipation Revenue Vehicle (GARVEE) Bonds against future CMAQ and STP funding to accelerate project implementation.

Table D-3: FFY 2013 New Starts Projects: Flexed FHWA Funding Levels (YOES, in millions)

	Total Cost	FHWA Programs	% Share	Amount
NEW STARTS PROJECTS				
Full Funding Grant Agreements				
Long Island RR East Side Access – NYC	\$7,386.0	FHWA Flexible Funds (CMAQ)	0.2%	\$11.2
Second Ave. Subway Phase 1 – NYC	\$4,866.6	FHWA Flexible Funds (CMAQ)	0.1%	\$2.5
Dulles Metrorail - Northern Virginia	\$3,142.5	FHWA Flexible Funds (STP)	2.4%	\$75.0
Eagle Commuter Rail – Denver	\$2,043.1	FHWA Flexible Funds (CMAQ)	3.0%	\$62.1
University Link LRT – Seattle	\$1,947.7	FHWA Flexible Funds (CMAQ)	0.5%	\$9.0
Central Corridor LRT - St. Paul-Minneapolis	\$956.9	FHWA Flexible Funds (CMAQ)	0.5%	\$4.5
New Britain (CT) - Hartford Busway	\$567.1	FHWA Flexible Funds (CMAQ & STP)	12.7%	\$72.1
		FHWA Interstate Maintenance Funds	5.7%	\$32.4
		FHWA National Highway System Program	1.7%	\$9.8
Final Design				
3rd St. Light Rail Phase 2 -Central Subway - San Francisco	\$1,578.3	FHWA Flex Funds (CMAQ)	2.6%	\$41.0
Milwaukee LRT - Portland	\$1,490.4	FHWA Flexible Funds (CMAQ / STP) - GARVEE Bonds	9.4%	\$140.6
Preliminary Engineering				
Columbia River Crossing – Vancouver	\$3,507.9	FHWA National & Regional Significance Funding Program (Earmark)	11.4%	\$400.0
South Corridor Phase 2 - Sacramento	\$270.0	FHWA Flexible Funds (CMAQ & other funds)	4.2%	\$11.4

Source: Annual Report on Funding Recommendations: New Starts and Small Starts Project Profiles, January 2012.

Note: Under MAP 21, Preliminary Engineering and Final Design have been combined into a single Engineering Phase. The FFY 2014 Budget which will be published in February 2013 will combine Preliminary Engineering and Final Design for the first time.

State Partnerships

State contributions are often a major component of a New Start plan of finance. Table D-4 summarizes the level of State funding participation for New Starts projects included in the FFY 2013 Budget. As shown in the table, 18 projects included in the FFY 2013 Budget received funding support from State sources. The primary sources of State funding across the county reflects: revenue from the general fund, department of transportation revenue, general excise/sales tax, and proceeds from bond sales. At this time, the State of Georgia does not provide funding to support implementation of fixed guideway projects. However, as described after the table, there may be opportunities to leverage federal funding through State and Regional partnerships on other planned major transportation infrastructure projects directly connected to the project selected for the Northwest Atlanta corridor.

Table D-4: FFY 2013 New Starts Projects: State Funding Levels (YOE\$, in millions)

	Total Cost	State Funding Sources	% Share	Amount
NEW STARTS PROJECTS				
Full Funding Grant Agreements				
Long Island RR East Side Access - NYC	\$7,386.0	State Bonds	6.1%	\$450.0
Second Ave. Subway Phase 1 - NYC	\$4,866.6	State Bonds	9.2%	\$450.0
Dulles Metrorail - Northern Virginia	\$3,142.5	VA Transportation Act of 2000	1.6%	\$51.7
		State Bonds	4.0%	\$125.0
Central Corridor LRT - St. Paul-Minneapolis	\$956.9	General Obligation Bonds	9.6%	\$91.5
		Metropolitan Council	0.3%	\$2.6
New Britain (CT) - Hartford Busway,	\$567.1	Special Transportation Funds	19.8%	\$112.2
Central Florida Commuter Rail - Initial Segment, Orlando	\$357.3	Florida New Starts Transit Program	25.0%	\$89.3
Final Design				
Honolulu High Capacity Transit Corridor Project	\$5,126.0	State/Local General Excise Tax	64.9%	\$3,328.0
Silicon Valley Berryessa Extension - San Jose	\$2,330.0	Traffic Congestion Relief Funds	10.8%	\$251.0
3rd St. Light Rail Phase 2 -Central Subway - San Francisco	\$1,578.3	Prop 1A State High Speed Rail Bond Funds	3.9%	\$61.3
		Prop 1B Bond Funds	20.8%	\$327.5
		Transportation Congestion Relief Funds	0.9%	\$14.0
		Regional Transportation Improvement Program	4.3%	\$68.3
Milwaukee LRT - Portland	\$1,490.4	Lottery Bond Proceeds	23.7%	\$353.1
		ODOT Loan Proceeds	0.1%	\$2.1
Preliminary Engineering				
Columbia River Crossing - Vancouver	\$3,507.9	OR & WA DOT Existing Funds	4.2%	\$147.4
		OR DOT Anticipated Legislative Funds	12.8%	\$450.0
		WA DOT Anticipated Legislative Funds	12.8%	\$450.0
Red Line - Baltimore	\$2,219.3	Transportation Trust Fund	50.0%	\$1,110.3
National Capital Purple Line - Maryland	\$1,925.5	Transportation Trust Fund	50.0%	\$962.9
Mid Coast Corridor Transit Project - San Diego	\$1,803.2	State Transportation Improvement Funds	1.6%	\$29.5
		Traffic Congestion Relief Funds	0.4%	\$7.3
Regional Connector Transit Corridor - Los Angeles	\$1,342.5	Prop 1A State High Speed Rail Bond Funds	8.6%	\$114.9
		Prop 1B Bond Funds	13.1%	\$175.5
Southwest LRT - Minneapolis	\$1,250.5	Legislature Bonds	10.0%	\$125.0
LYNX Blue Line Extension - Northeast Corridor - Charlotte	\$1,069.2	State Full Funding Grant Agmt	25.0%	\$267.3
South Corridor Phase 2 - Sacramento	\$270.0	Prop 1B-Public Transportation	9.6%	\$26.0
		Traffic Congestion Relief Funds	3.0%	\$8.1

		State Transit Assistance	0.1%	\$0.2
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Source: *Annual Report on Funding Recommendations: New Starts and Small Starts Project Profiles, and January 2012.*

Note: Under MAP 21, Preliminary Engineering and Final Design have been combined into a single Engineering Phase. The FFY 2014 Budget which will be published in February 2013 will combine Preliminary Engineering and Final Design for the first time.

Local Partnerships

Table D-5 summarizes the local funding sources in the financial plans for New Starts projects in the FFY 2013 Budget. As shown in the table, the primary local revenue sources used across the country include: dedicated local transit sales tax; project sponsor's general fund; contributions from local jurisdictions/agencies along the fixed guideway corridor; toll revenue; and revenue from improvement districts/tax increment finance districts.

**Table D-5: FFY 2013 New Starts Projects Local Funding Levels
(YOES, in millions)**

	Total Cost	Local Funding Sources	% Share	Amount
NEW STARTS PROJECTS				
Full Funding Grant Agreements				
Long Island RR East Side Access - NYC	\$7,386.0	MTA Dedicated Source	43.6%	\$3,217.4
		MTA Operating Budget	14.0%	\$1,036.1
Second Ave. Subway Phase 1 - NYC	\$4,866.6	MTA Dedicated Source	46.2%	\$2,249.3
		MTA Operating Budget	16.8%	\$816.6
Dulles Metrorail - Northern Virginia	\$3,142.5	Toll Rev & Bond Proceeds	46.7%	\$1,467.0
		Transportation Improvement District	16.7%	\$523.8
Eagle Commuter Rail - Denver	\$2,043.1	Bond Proceeds	2.4%	\$48.2
		Sales & Use Tax	18.3%	\$374.3
		Local Funds	2.0%	\$40.3
University Link LRT - Seattle	\$1,947.7	Bond proceeds, local sales tax, sales of excess ROW	57.6%	\$1,122.7
Northwest/Southeast LRT - Dallas	\$1,406.2	Local Sales Tax	50.2%	\$706.2
Central Corridor LRT - St. Paul-Minneapolis	\$956.9	County Transit Improvement Board	29.7%	\$284.0
		Ramsey County Regional Rail Authority Bond Proceeds	6.9%	\$66.4
		Hennepin County Regional Rail Authority Bond Proceeds	3.0%	\$28.2
		St. Paul Tax Increment Financing	0.5%	\$5.2
		Private Donations	0.1%	\$0.5
Southeast Corridor LRT - Houston	\$822.9	METRO Dedicated Sales Tax	45.3%	\$372.9
North Corridor LRT - Houston	\$756.0	METRO Dedicated Sales Tax	40.5%	\$306.0
Central Florida Commuter Rail - Initial Segment, Orlando	\$357.3	Volusia County	1.8%	\$6.6
		Seminole County	12.8%	\$45.6
		City of Orlando	3.8%	\$13.5
		Orange County	6.6%	\$23.7
Draper LRT - Salt Lake City	\$190.6	UTA Local Sales Tax	39.1%	\$74.5
Final Design				
Silicon Valley Berryessa Extension - San Jose	\$2,330.0	Measure A Sales Tax	50.6%	\$1,179.1
3rd St. Light Rail Phase 2 - Central Subway - San Francisco	\$1,578.3	Proposition K Sales Tax Funds	7.9%	\$124.0
Milwaukee LRT - Portland (OR)	\$1,490.4	City of Portland	4.3%	\$63.6
		Clackamas County	2.2%	\$32.6
		City of Milwaukie	0.4%	\$5.8
		Tri Met Payroll Tax Bonds	6.6%	\$98.4
		Portland Metro Grant	0.0%	\$0.4
		In Kind Contributions	3.3%	\$48.6

**Table 5: FFY 2013 New Starts Projects Local Funding Levels (Continued)
(YOES, in millions)**

Preliminary Engineering				
Westside Subway Extension - Los Angeles	\$5,663.3	Bonds - Measure R Sales Tax	41.8%	\$2,369.3
		Local Agency Funds	2.7%	\$154.8
Columbia River Crossing -	\$3,507.9	Toll Bonds Proceeds	14.4%	\$504.9

Vancouver		Toll Revenues from Existing I-5 Bridges	5.8%	\$204.4
		Residual Toll Revenues	0.0%	\$1.2
Mid Coast Corridor Transit Project - San Diego	\$1,803.2	Transnet Sales Tax	48.5%	\$875.4
University Corridor LRT - Houston	\$1,563.1	METRO Dedicated Sales Tax	50.0%	\$781.5
Regional Connector Transit Corridor - Los Angeles	\$1,342.5	Measure R Sales Tax	11.9%	\$160.0
		Local Agency Funds	6.7%	\$89.8
		Lease Revenue	3.1%	\$41.0
Southwest LRT - Minneapolis	\$1,250.5	Counties Transit Improvement Board	30.0%	\$375.1
		Hennepin County Regional Rail Authority Bond Proceeds	10.0%	\$125.0
LYNX Blue Line Extension - Northeast Corridor - Charlotte	\$1,069.2	Local 1/2 Cent Sales Tax	22.1%	\$236.4
		In Kind Contributions	1.3%	\$14.2
		Northeast Corridor Infrastructure Funds	1.6%	\$16.8
South Corridor Phase 2 - Sacramento	\$270.0	Laguna Community Fee District	0.5%	\$1.5
		Elk Grove/West Vineland Fee District	1.6%	\$4.2
		Vineyard Developer Fee	0.2%	\$0.5
		Measure A Sales Tax	9.4%	\$25.3
		Certificates of Participation	21.4%	\$57.9

Source: *Annual Report on Funding Recommendations: New Starts and Small Starts Project Profiles, January 2012.*

Note: Under MAP 21, Preliminary Engineering and Final Design have been combined into a single Engineering Phase. The FFY 2014 Budget which will be published in February 2013 will combine Preliminary Engineering and Final Design for the first time.