EXHIBIT NO.	 16
•	1-26-10

## City of Alexandria, Virginia

## MEMORANDUM

DATE:

JANUARY 20, 2010

TO:

THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:

JAMES K. HARTMANN, CITY MANAGER

SUBJECT:

CONSIDERATION OF SUBMITTING A GRANT APPLICATION UNDER THE FEDERAL TRANSIT ADMINISTRATION'S TRANSPORTATION LIVABILITY INITIATIVE FOR THE POTOMAC YARD TRANSITWAY

<u>ISSUE</u>: Consideration of submitting a grant to the Federal Transit Administration, under the Transportation Livability Initiative to fund the Potomac Yard Transitway

**RECOMMENDATION:** That City Council authorize the City Manager to apply for an \$8.5 million Federal Transit Administration Livability grant to assist in funding the Potomac Yard Transitway, and to enter any agreements necessary if the grant is awarded.

<u>DISCUSSION</u>: On December 1, U.S. Transportation Secretary Ray LaHood announced a Federal Transit Administration bus livability grant program and an urban circulator livability program. Applications for the new grants programs are due by February 8, 2010, and the Department of Transportation (DOT) anticipates making formal grant announcements by the end of March.

Federal funding for the new program comes from unallocated discretionary funds for the New Starts/Small Starts Bus and Bus Facility programs. DOT is using \$280 million in previously unobligated funds for the program.

Approximately \$130 million will be available for the circulator program largely aimed at funding streetcar, circulator, and other local transit and mobility projects, while \$150 million will be available for projects that will focus on linking buses and bus facilities to neighborhoods. Key evaluation criteria include the promotion of livability and sustainability, and addressing the six livability principles previously outlined by the interagency partnership formed by FTA, HUD, and the EPA:

- 1. Provide more transportation choices.
- 2. Promote equitable, affordable housing.
- 3. Enhance economic competitiveness

- 4. Support existing communities.
- 5. Coordinate policies and leverage investment
- 6. Value communities and neighborhoods

After the announcement was made, staff investigated options for its possible use in Alexandria. The project which was clearly the best candidate for these \$8.5 million in funds is to build the Potomac Yard Transitway, from Monroe Street to East Glebe in the median of Route 1 as ratified by City Council in June, 2007. This project is the result of an alternatives analysis. This project has reached a point where the transitway facility can be built in the near term, after some environmental work has been performed and design completed. This project would involve building the actual transitway in the median of Route 1 from Monroe Street to East Glebe for a total cost of \$8.5 million. The transitway construction would be made part of the Route 1 widening construction project. Additional grant funds would fund the stations on this portion of the transitway, and developer funds would be for the Route 1 widening.

Alexandria and Arlington County staff have been meeting monthly since the fall of 2009 in order to better coordinate the planned Crystal City transitway in Arlington to the connecting Potomac Yard transit in Alexandria. The objective of the coordination is to create a seamless high capacity transit system. This will likely be a Bus Rapid Transit (BRT) system first and a fixed light rail streetcar system second, at some point in the future. While that is not decided nor a certainty, it appears how the high capacity transit system will likely evolve. City staff will continue to work with Arlington staff to develop a specific plan and timetable with a joint City Council—Arlington County Board meeting to be scheduled hopefully in the spring, and with Council making a decision on transit mode and timetable before the end of June 2009. Regardless, it is proposed that the transitway that would be designed and constructed to provide BRT service and be able to then be converted to a rail system at a later date. The objective would be to do a BRT design as compatible with a rail system as possible (however without rails, overhead catenary and other electrical infrastructure).

This project could in theory be funded by either of the Livability grant programs. In practice, the Urban Circulator program seems to be the most appropriate one to fund this project. The bus program can only be applied for by a designated recipient of Section 5307 funds, which is WMATA, in our case. Further, an application for bus funds must be endorsed by the Metropolitan Planning Organization, which is the Transportation Planning Board. Finally any projects under the bus category must be ready to begin upon award of the grant. Since the Urban Circulator program requires construction within 18 months of award, the grant can be applied for directly by the City and does not require MPO approval, this grant is the preferred option.

Since there is a limited amount of money available nationwide for dissemination, it is possible that the FTA will only award a portion of the funding requested. Since the City has been planning on funding this \$8.5 million project as part of its CIP planning, any federal grant will reduce the amount of future City CIP outlay downward from the \$8.5 million.

During the same time period with this grant application, the federal Department of Transportation is considering TIGER grant applications. This Potomac Yard Transit project is also contained in the regional TIGER grant application which is scheduled to be announced at approximately the same time as this grant application must be submitted on February 8, 2010. On January 13, the Secretary of Transportation Ray LaHood announced new sustainability and livability criteria for the award of TIGER grants which should improve the region's chances of receiving a TIGER grant award. By seeking two different sources of funding, the City's probability of grant award will increase.

**FISCAL IMPACT**: The proposed \$8.5 million grant will require up to \$1.7 million City match, which corresponds to a 20% local match if the entire grant amount is approved by FTA. These City match funds would derive from the previously planned \$8.5 million in City CIP funding which will be able to be reduced by the amount of grant funds received.

## **STAFF:**

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