

New Starts Bi-Weekly Briefing – May 20, 2009

Notes: Bring scorecard to each meeting.

TRO-3, TRO-5, TRO-6, TRO-8, TRO-9, and TRO-10 participated via video conference or teleconference.

Sacramento, South Corridor LRT Extension

- FTA recommended \$40.0 million for the project for the President's FY 2010 budget.
- Last month, FTA received a final design (FD) request.
- The draft PMO report could not find that the Regional Transit (RT) has the technical capacity to operate and maintain the project. The project manager has a public relations background.
- Staff would like to write a letter identifying issues. TRO-09 suggested a call, too.
- TCC noted that technical capacity has usually focused on an organization rather than qualifications of an individual.
- NEXT STEP/ACTION ITEM:
 - TOA would like to hear from TPM managers. Afterwards, TRO-9 can call RT to understand its position.

Pittsburgh, North Shore

- TRO-3 met with the Port Authority on May 15th. The project cost overrun is about \$103.7 million.
- After taking into account the \$61.0 million of ARRA (American Recovery and Reinvestment Act) funds the project will receive, there will be a deficit of \$42.0 million.
- The Pennsylvania Department of Transportation will talk with the state to get a commitment for the remainder of the funds.
- The grants for ARRA (American Recovery and Reinvestment Act) funds are in TEAM.
- TRO-3 has asked for a funding commitment in writing and has not asked for the source.
- TCC noted that the grantee has experienced cost overruns and project management problems with its other FFGAs (Full Funding Grant Agreements).
- By May 26th, FTA will see if correspondence needs to be sent to the Port Authority.
- Concern has been expressed about apply the "Medium" cost effectiveness threshold to ARRA funds.
- The Port Authority wants to use some formula funds for some cost overruns.
- NEXT STEP/ACTION ITEM:
 - By May 26th, FTA will see if correspondence needs to be sent to the Port Authority.

St. Paul-Minneapolis, Central Corridor LRT

- On May 6th, FTA informed the grantee that completion of the final environmental impact statement (FEIS) by May 15th was unlikely to occur.

- A Section 4(f) concurrence letter from the Department of Interior is needed. They must concur within 60 days of the signing of the Record of Decision.
- The State Historic Preservation Office (SHPO) would prefer not to sign the programmatic agreement until the consulting parties sign. The Advisory Council on Historic Preservation (ACHP) has a similar view.
- The University decided not to be a party for the programmatic agreement.
- The FEIS will probably be completed between June 12th and June 19th. The Metropolitan Council would like a record of decision (ROD) by mid-July, but major comments could push the ROD signing to late July or August.
- The Metropolitan Council would like FTA to approve the LONP request for utility relocation when the ROD is released to take advantage of the construction season that ends in late October.
- Does FTA want to consider LONP approval before FD approval, which is expected in October? The consensus is to proceed with the LONP request, contingent upon the PMO review.
- The environmental justice community has some concerns.
- The University could sue.
- NEXT STEPS/ACTION ITEMS:
 - Does FTA want to consider LONP approval before FD approval, which is expected in October? The consensus is to proceed with the LONP request, contingent upon the PMO review.

Houston, North and Southeast Corridors

- FTA received an updated financial plan on May 12th.
- A draft risk assessment report was shared on May 18th.
- The FMOC will be in Houston May 27th through 29th and the draft FCA (financial capacity assessment) will be completed in mid-June.
- The current cost estimates are probably too low. Only an approximately one percent contingency is being shown for each project. For FD, FTA usually wants to see 20 percent contingency.
- The final percentage of contingency might be less than 20 percent, but what percentage does FTA want?
- Since the cost needs to be known before the financial capacity assessment can be written, FD probably cannot be approved in June. Metro will probably be okay with a July approval, but OST and the Congressional delegation are probably still thinking approval will occur in June.
- NEXT STEP/ACTION ITEM:
 - FTA will need to update OST and the Congressional delegation.

Honolulu

- Two weeks ago, FTA received a preliminary engineering (PE) request. Some support documents have been received and others are expected.
- The City estimates the capital cost of the project at \$5.3 billion, which includes \$1.5 billion in New Starts funds.

- The financial plan anticipates a 10 percent increase in costs but offers mitigation. Some of the proposed mitigation methods “appear” speculative although they might not be speculative.
- The grantee anticipates \$250.0 million in annual New Starts funding. FTA should caution the City that we are unsure if we will be able to accommodate such an annual amount in Reauthorization.
- Does FTA want to tell them to add money to the project before they receive preliminary engineering (PE) approval?
- Does FTA want to tell them to consider a minimum operable segment?
- They are proposing a total contingency (allocated and unallocated) of 33 percent.
- The PMO is scheduled to visit Honolulu in early June.
- The target date for completion of the draft risk assessment is June 22nd.
- NEXT STEPS/ACTION ITEMS:
 - The team has scheduled a roadmap call for this afternoon.
 - The PMO review could probably be put on hold until there is a response to our suggested cost of \$5.83 billion (\$5.55 billion + \$500.0 million previously recommended by PMO).

Portland, Streetcar Loop

- The project cost has slightly increased, by approximately \$1.5 million, to \$128.3 million.
- A draft PMO report is expected by June 4th.
- The current roadmap shows the Project Construction Grant Agreement (PCGA) package going to Congress in late June and PCGA execution occurring in late August. This presumes a concurrent two-week review for OST and OMB.
- TriMet has indicated that PCGA execution in September will not hinder project implementation.
- FTA reviewed some PCGA attachments last week and sent comments on a few more documents today.
- The revenue operations date has changed from 2011 to April 30, 2012.
- NEXT STEP/ACTION ITEM:
 - The team will hold a conference call with TriMet on May 22nd to discuss attachments and the roadmap.

Tucson, Streetcar

- Tucson wants to issue a press release for naming its vehicle contractor. The wording seems okay.
- This presumes the completion of PE and entry into FD.
- The updated budget differs from the financial plan.

Denver, East Corridor and Gold Line

- TPE distributed a summary.
- The Regional Transportation District (RTD) would like an ESWA (Early Systems Work Agreement) later this year to send a signal to potential bidders of FTA’s commitment to the projects.

- Release of the final request for proposals is expected this month.
- RODs for the projects are expected in August.
- The projects are not ready for action at this time. No commitment authority exists for an ESWA.
- Maybe FTA could approve LONPs, instead of ESWAs.
- RTD wants ESWAs to give confidence to foreign investors.
- A Letter of Intent is not as good as an ESWA because a 60-day notice needs to be sent to Congress.
- TCC reported that a lawsuit threatens the projects.
- NEPA is not complete.
- NEXT STEP/ACTION ITEM:
 - The lack of commitment authority and lack of political leadership should indicate that FTA is deliberating ideas, but has not made a final decision.
 - The idea of an ESWA should be revisited after September 1st.

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