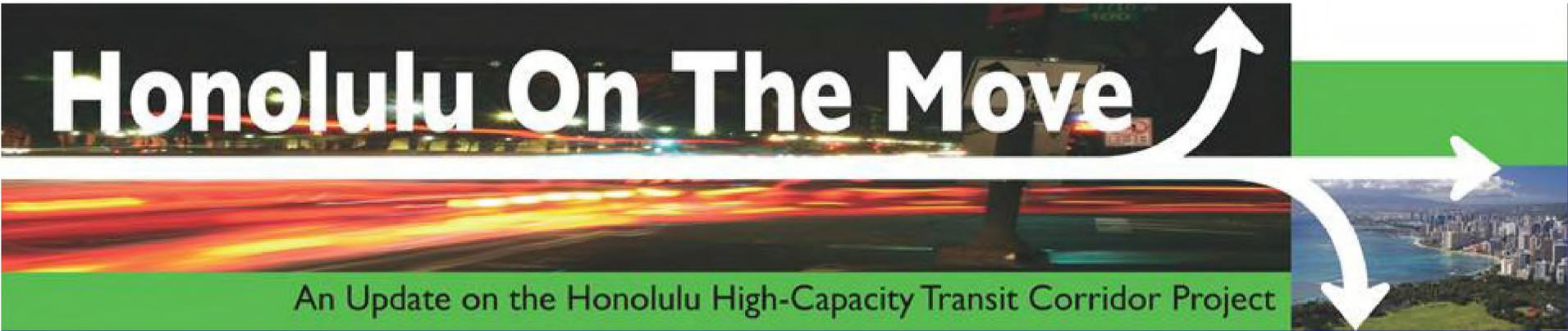


Honolulu On The Move



An Update on the Honolulu High-Capacity Transit Corridor Project

MOS Selection Process: FTA New Starts Requirements.

January 11, 2007

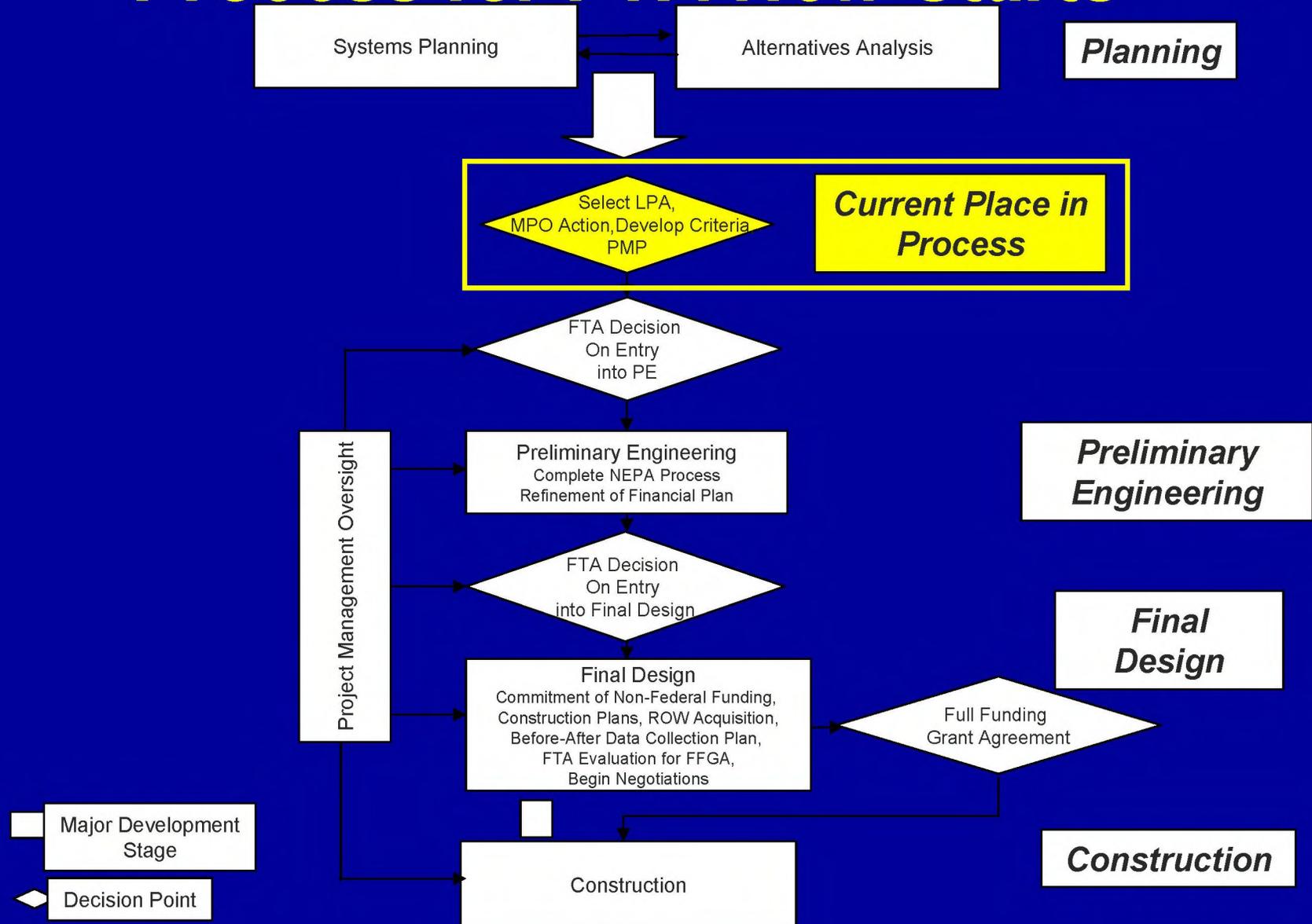
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566-2299

Outline

- Where we are in the FTA New Starts Process?
- What is a Minimal Operable Segment?
- What are the requirements for FTA to approve entry into PE?

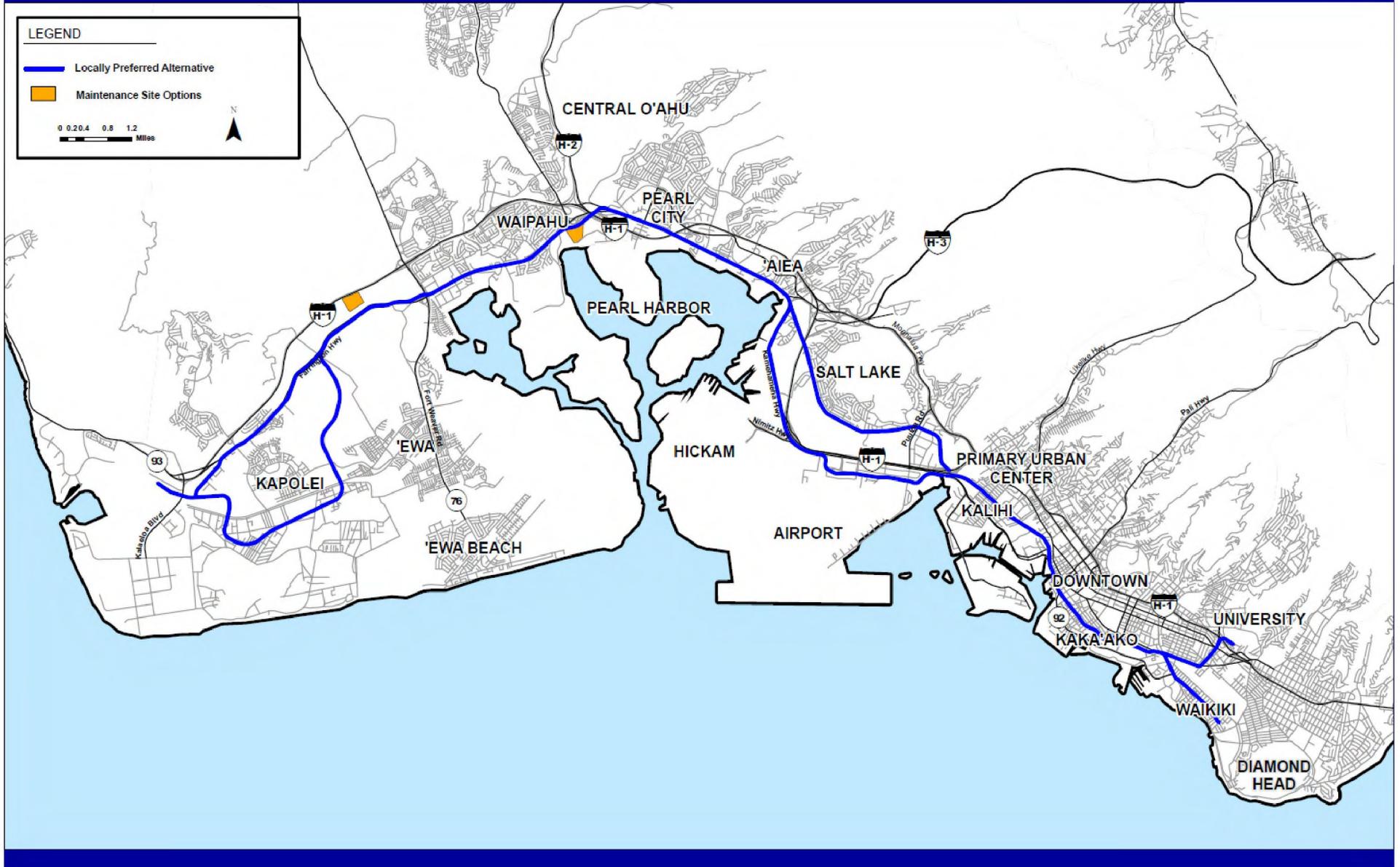
Planning and Project Development Process for FTA New Starts



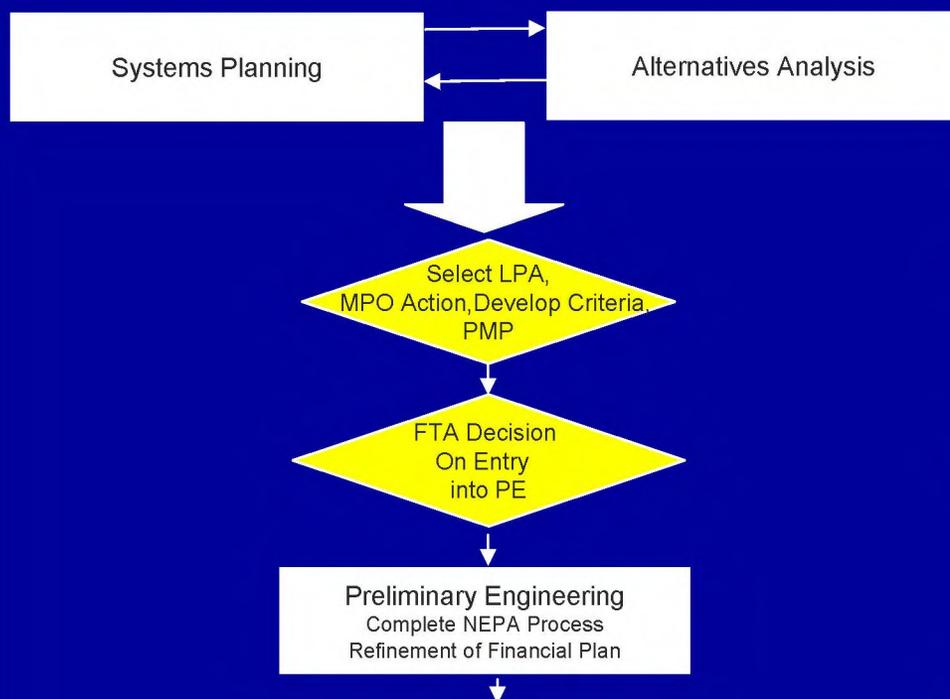
Minimal Operable Segment (MOS)

- The MOS is the project being proposed for federal approval for design.
- The MOS is NOT the long-range plan for the eventual complete system.
- The MOS must be able to operate as a stand-alone system.
- The MOS must meet FTA requirements for entry into Preliminary Engineering.

Locally Preferred Alternative



Requirements for FTA Approval into Preliminary Engineering

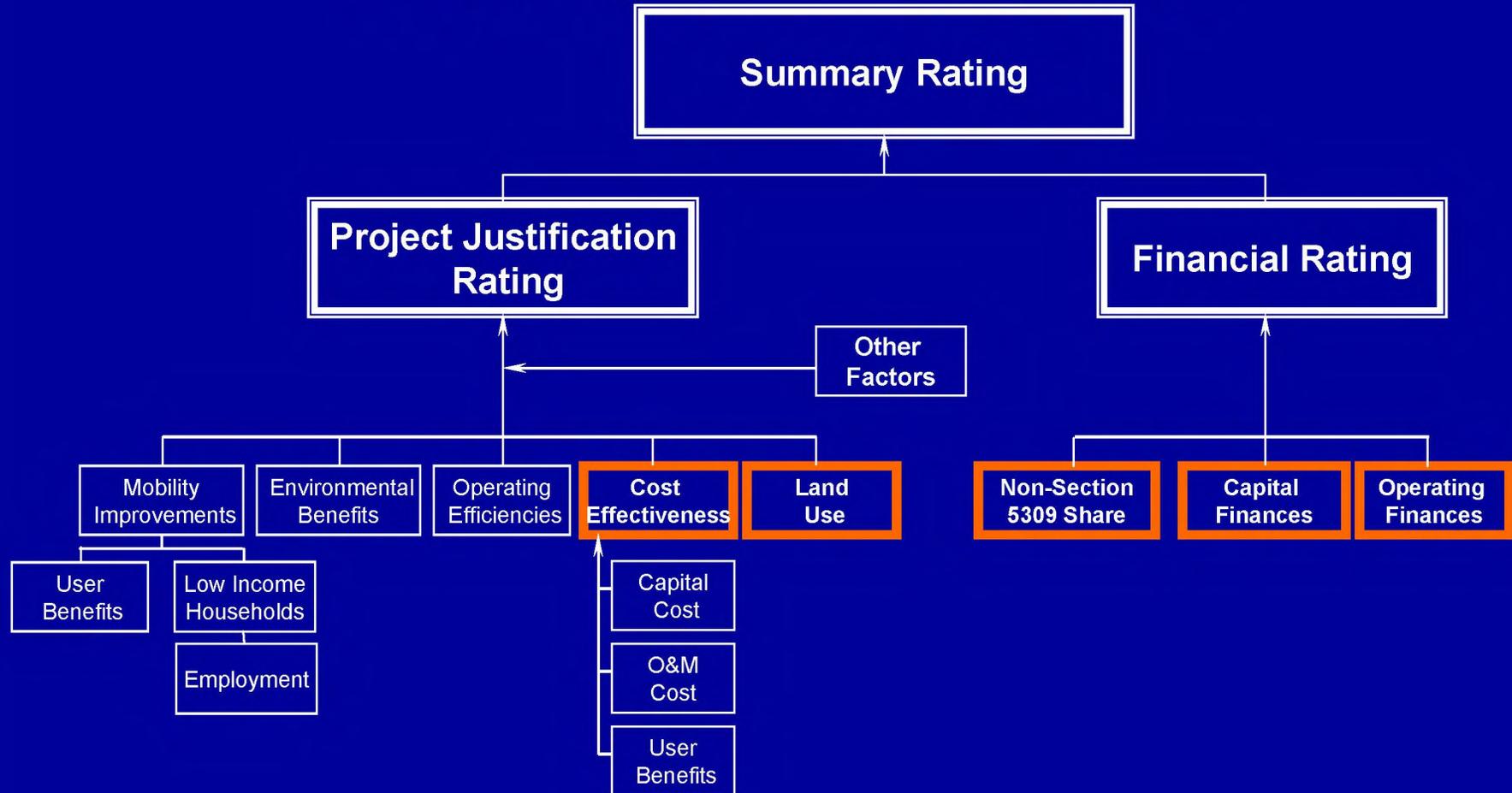


- Completed Alternatives Analysis with LPA and financial plan
- No outstanding planning issues
- Locally Preferred Alternative adopted into OMPO plan
- Projected New Starts evaluation measures confirmed
- **“MEDIUM”** or higher rating

FTA New Starts Ratings Process

- Among most rigorous project evaluations in government
- Increasingly credible and important to Congress and local communities
- Constantly evolving
- Unique to transit because
 - New Starts is discretionary program
 - Required by law

New Starts Criteria



Minimum Project Development Requirements:



Summary Ratings

- **High**

Project rated at least “medium-high” for both finance and project justification

- **Medium**

Project rated at least “medium” for both finance and project justification

- **Low**

Project not rated at least “medium” for either finance or project justification

Mobility Improvements

- Intensity: user benefits / passenger mile on project
- Benefits to transit dependents
 - Number of low-income households within $\frac{1}{2}$ mile of new stations
 - Number of jobs within $\frac{1}{2}$ mile of new stations

Transportation System User Benefits

- Mobility benefits for all transit travelers
- Expressed in terms of travel time savings (hours of benefit)
- Composed principally of travel time savings

Cost Effectiveness

- Cost per unit of benefit:
 - Annualized capital plus annual operating cost
 - Hours of user benefits
- Benefits and costs computed in relation to New Starts Baseline Alternative (TSM)

Cost-Effectiveness

- C-E thresholds or breakpoints for 2006-2007:
 - High <\$11.49 per hour
 - Medium-high \$11.50 - \$14.99 per hour
 - **Medium \$15 - \$22.99 per hour**
 - Medium-low \$23 - \$26.99 per hour
 - Low > \$29 per hour
- For 2007 report, must get at least “medium” on C-E to be recommended for funding
- Projects can get “recommended” rating without being recommended for funding

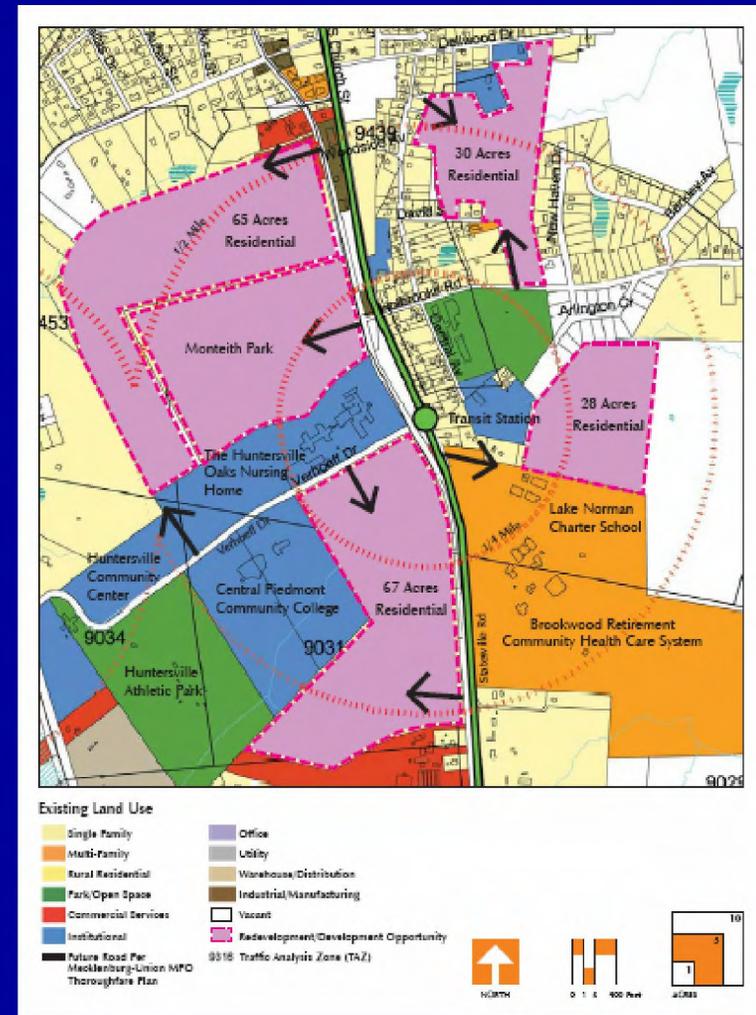
Cost Effectiveness Calculation from AA

| Measure | TSM Alternative | Fixed Guideway Alternative | | | |
|--|-----------------|----------------------------|------------------------------------|--|------------------------------------|
| | | Full-corridor Alignment | | 20-mile Alignment East Kapolei to Ala Moana Center | |
| | | Value | Incremental Change compared to TSM | Value | Incremental Change compared to TSM |
| Annualized Capital Cost (2006 Dollars) | \$59,797,000 | \$380,658,000 | \$320,863,000 | \$308,228,000 | \$248,433,000 |
| Year 2030 Systemwide O&M Cost (2006 Dollars) | \$234,200,000 | \$256,100,000 | \$21,900,000 | \$250,600,000 | \$16,400,000 |
| Total 2030 Annualized Cost (2006 Dollars) | \$293,997,000 | \$636,758,000 | \$342,763,000 | \$558,828,000 | \$264,833,000 |
| Year 2030 Incremental User Benefits (Hours of Benefit) | N/A | N/A | 15,504,500 | N/A | 11,638,500 |
| Cost Effectiveness (Cost per Hour of User Benefit) | N/A | N/A | \$22.11 | N/A | \$22.75 |

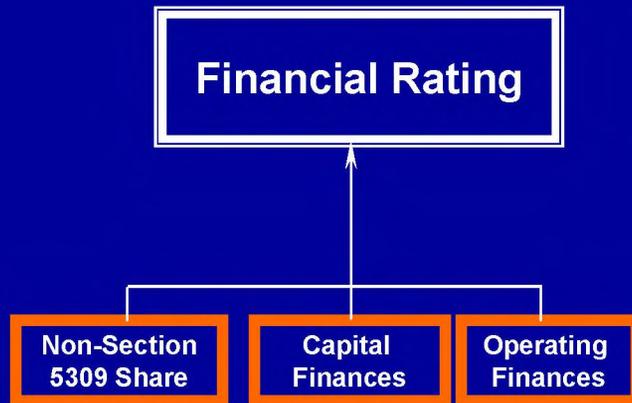
Land Use

Rating is based on balance between:

- Existing land use
- Transit supportive plans and policies
- Performance and impacts of policies



Financial Ratings



- Key factors in ratings:
 - Capital and operating financing condition
 - Completeness of finance plan
 - Commitment of capital and operating funds
 - Capital and operating funding capacity
 - Reasonable planning assumptions and cost estimates

MOS Analysis Underway for Honolulu

- Costs being calculated to identify a range of MOS options with costs in the vicinity of \$3.6 billion.
- System operating plans being refined.
- Ridership and user benefits being calculated for the range of MOS options.
- Land use metrics being calculated for comparison.
- Capital and operating costs being tested to the financial plan.