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Sent: 10/19/2010 10:35:39 AM
Subject: tomorrow's New Starts bi-weekly mtg agenda items

Ryan and Nancy

Below are the agenda items for tomorrow's bi-weekly New Starts meeting. I've heard that Peter may not be in the office tomorrow. Are we still having this meeting?

Thanks,
Beth

Honolulu High Capacity Transit Corridor Project: NEPA and Precast Yard(s)

The Honolulu project will be constructed in four contract segments. According to the project sponsor, the design-build contract signed in December 2009 with Kiewit for the initial West Oahu Farrington segment provided Kiewit discretion on where to site a precast yard (where concrete posts are fabricated that are needed to support the aerial guideway.) According to the project sponsor, Kiewit is responsible for acquiring all necessary agreements and permits needed for any precast yards. Several months ago, Kiewit initiated a review under the State (not Federal) environmental process for a 30-acre precast yard located on former military land on Oahu. The proposed site had not been included as part of the project scope in the FEIS.

Ideally, the FEIS should include a review of the entire project scope, including precast yards, to avoid potential issues of "segmentation." Since learning of this issue, FTA has repeatedly asked the City for additional information about all of the precast yard sites that might be used for the project, but the City has resisted providing information on the grounds that the precast yard site selection is the responsibility of the contractors. Yesterday, FTA finally received some information from the City, albeit limited, that provides a summary of potential environmental impacts associated with locating the precast yard at two potential sites: the alternative maintenance and storage facility site and the former military site proposed by Kiewit.

The New Starts team proposes three options for moving forward with the NEPA review for your consideration. The first two options could possibly delay the date that a Record of Decision (ROD) could be issued for the project. **The earliest the ROD could be issued is December 6th**, and then only if the new Governor will immediately sign off on the State FEIS upon taking office. According to TCC, Options 1 and 2 below are recommended since they would have the lowest risk of litigation due to potential segmentation issues.

- **Option One: Review of Two or More Potential Precast Yard Sites Prior to the ROD**
This option would involve conducting a supplemental environmental document, likely an Environmental Assessment (EA), on two or more potential sites prior to the issuance of the ROD. Under this option, the City could select a preferred site either as part of the supplemental environmental document or after the supplemental environmental document is completed. Time to complete: 2-3 months
- **Option Two: Review of One Selected Site Prior to the ROD**
This option would involve performing an environmental review of a selected site for the precast yard prior to the issuance of the ROD. If the City selects the alternative maintenance and storage facility (MSF) site as the preferred site, the environmental review could be conducted as an internal evaluation incorporated in the ROD. This is because the impacts of the MSF site have already been reviewed in the FEIS. If the City selects the existing industrial facility on Oahu that was advertised by Kiewit, a supplemental environmental document, likely an Environmental Assessment, would need to be completed, similar to Option 1. Time to complete: 30 days if MSF site; 2-3 months if industrial site advertised by Kiewit
- **Option Three: Review of Selected Site After the ROD**
This option would involve conducting a review after the ROD is issued. Time to complete: 2-3 months

Columbia River Crossing

For the FY12 Annual Report, Washington State DOT (WSDOT) submitted updated information for the Columbia River Crossing (CRC) Project. The capital cost of the transit portion of the project went down from \$945 million to \$931.7 million, and the total multimodal project cost changed from \$4.096 billion to \$3.565 billion. The New Starts share changed from \$750 million to \$850 million. Recall that Section 173 of the FY 2010 Transportation, Housing and Urban Development Appropriations Act directs FTA to base the New Starts share rating for interstate, multi-modal projects located in an interstate highway corridor on the unified finance plan for the multi-modal project rather than only on the transit element of the plan. Thus, an \$850 million New Starts share would equate to 24% of the entire multimodal project. The New Starts team would like your feedback on the total amount of New Starts dollars assumed and whether the program can sustain such a high number.

Portland-Milwaukie Light Rail Project

Tri-Met obtained additional non-federal funding commitments and submitted a series of proposed scope reductions in response to FTA's decision to cap the New Starts share for the Portland-Milwaukie Light Rail (PMLR) Project at 50%. FTA has approved publication of the FEIS, and the Record of Decision (ROD) is expected to be executed in early December. Tri-Met intends to submit a Letter of No Prejudice (LONP) immediately following issuance of the ROD in December, that would cover a portion of the bridge design-build contract so that the construction in the river can commence during the endangered species "fish window" over the summer. The LONP request would precede the project's approval into final design, which is currently estimated to occur in February 2011. The New Starts team would like to give feedback to TriMet on our willingness to entertain this LONP request prior to final design.

Central Corridor LRT – internal borrowing

The Met Council's financial plan assumes internal borrowing to finance delays in receipt of funding from state, regional and local funding partners. However, the cash flow projection demonstrates that Metro Transit (an operating unit of Met Council) has sufficient cash balances through the construction period to fund state and local funding delays. The Met Council is expecting to get reimbursed through the FFGA for interest charges on this internal borrowing. FTA has not previously reimbursed project sponsors for internal borrowing and instead typically only reimburses for third party borrowing. Resolution of this issue is one of the only remaining items needed to process the FFGA. The New Starts team would like to know whether we should allow the internal borrowing interest charges or require the Met Council to remove the interest charges from the FFGA baseline cost estimate.

Information item

El Paso, TX small starts project development approval will occur in the near future