

Small Starts Fact Sheet

FEBRUARY 28, 2007

A SECTION 5309 CAPITAL INVESTMENT GRANT PROGRAM

The Federal Transit Administration (FTA) administers the Section 5309 Capital Investment Grant program, which provides capital funds for major transit investment projects. The Section 5309 Capital Investment Grants program now includes a new project category called "Small Starts." These projects are low cost projects that qualify for a highly simplified project evaluation and rating process by FTA.

Does your project qualify as a Small Start?

In order to qualify as a Small Start, the total project cost must be less than \$250 million, with no greater than \$75 million in requested Section 5309 Capital Investment Grant funding. In addition, a project must meet one of the following guideway criteria:

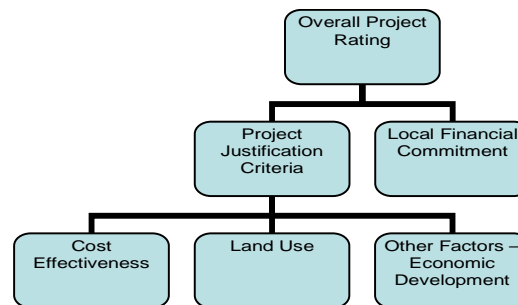
1. Be a fixed guideway for at least 50% of the project length in the peak period – AND/OR-
2. Be a corridor-based bus project with the following minimum elements:
 - Substantial Transit Stations
 - Signal Priority/Pre-emption (for Bus/LRT)
 - Low Floor / Level Boarding Vehicles
 - Special Branding of Service
 - Frequent Service - 10 min peak/15 min off peak
 - Service offered at least 14 hours per day



This photo represents a substantial and branded transit station with an integrated passenger information system

How are Small Starts projects evaluated?

The following illustrates the project rating process and evaluation criteria for Small Starts projects:



Project Justification Criteria

- Cost Effectiveness – Incremental cost per hour of transportation system user benefits compared to the baseline alternative; using opening year forecast.
- Land Use - 3 categories are evaluated for this criterion: 1) Existing land use patterns 2) Transit supportive plans and policies and 3) the performance and impact of these policies.
- Other Factors - Economic Development benefits and congestion pricing will be considered in this category; applicants are encouraged to provide information on the economic development impacts of the proposed project.

Local Financial Commitment – a project will receive a medium rating if project sponsors are able to demonstrate:

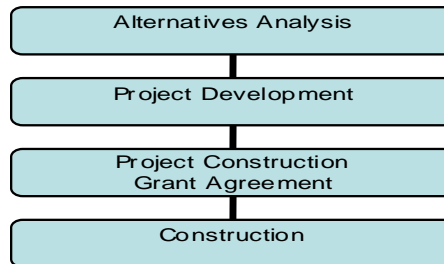
- A reasonable plan to secure funding for the local share of capital costs or sufficient available funds for the local (non Federal) share
- The additional operating and maintenance costs of the project are less than 5% of the agency's operating budget, and
- The agency is in reasonably good financial condition

What is the project development process for Small Starts?

During the planning and project development process, FTA evaluates the project's justification and local financial commitment and the sponsor addresses any remaining planning, environmental, engineering, and design issues and requirements. FTA is required by law to approve the initiation of project development and to make funding recommendations after project development is complete.



Eugene, OR EMX Busway



Alternatives Analysis

By law, FTA must consider the results of planning and alternatives analysis (AA) when evaluating proposed projects. Small Starts may utilize a very simple AA process, commensurate with the local decision at hand.

Project Development

For Small Starts projects, preliminary engineering and final design work is combined into one phase referred to as Project Development. Below are the criteria that must be met for approval into Project Development:

Project Development Approval Criteria

- Complete Alternatives Analysis
- Adopt Locally Preferred Alternative (LPA)
- LPA included within the MPO's long range plan
- Complete NEPA scoping
- Receive a "Medium" rating or better from FTA

In addition, a project sponsor must develop an acceptable Project Management Plan, including a fair and reasonable project budget and schedule.

Project Construction Grant Agreement

Financial assistance under Section 5309 for construction of a Very Small Starts project is provided through a Project Construction Grant Agreement (PCGA) that is negotiated during project development.

How is a Small Starts project recommended for funding?

Very Small Starts projects that meet the following conditions may be recommended for funding in the President's budget, subject to funding availability:

- The project must have been approved to enter into project development;
- The project must be "ready" to be implemented within the fiscal year the project is proposed for funding; and
- The project must be rated at least "medium."

As with all Section 5309 Capital Investment Grants, the rating process is separate from the budget decisions. Projects that achieve a "medium" or better rating will be eligible to receive Section 5309 Capital Investment Grant funds, but are not guaranteed to receive any funding in the President's Budget.



Miami-Dade Busway Station