Draper Transit Corridor

Draper, Utah

(November 2009)

The Utah Transit Authority (UTA) proposes to construct the Draper Transit Corridor, a three station, 3.8-mile light rail transit (LRT) extension to the existing North-South TRAX LRT line, which would operate primarily in existing and abandoned railroad right-of-way between the City of Sandy and the City of Draper. The LRT would run parallel to Interstate 15 (I-15), the primary transportation link between Salt Lake City, the University of Utah, Murray, Sandy, and Draper. The project scope includes the procurement of five new light rail vehicles and construction of three stations with park-and-ride lots totaling 1,400 spaces.

Draper is constrained by the Wasatch Front mountain range to the east and south and I-15 to the west. Major north-south roadways in the corridor, including State Street and I-15, are projected to have increased congestion due to a 35 percent population increase by 2030, coupled with job growth. Most of the area's growth is occurring in the eastern half of the City of Draper and north of the City of Sandy. Existing transit service connecting Draper to growth centers to the north is indirect and operates in a constrained roadway network. The proposed LRT extension will provide more direct service with better reliability to these high growth areas.

Summary Description	
Proposed Project:	Light Rail Transit 3.8 Miles 3 Stations
Total Capital Cost ($YOE):	$212.21 Million (Includes $19.29 million in finance charges)
Section 5309 New Starts Share ($YOE):	$169.77 Million (80.0%)
Annual Forecast Year Operating Cost:	$5.79 Million
Ridership Forecast (2030):	6,800 Average Weekday Boardings 1,400 Daily New Riders
Opening Year Ridership Forecast (2013):	2,275 Average Weekday Boardings
FY 2011 Local Financial Commitment Rating:	**Medium**
FY 2011 Project Justification Rating:	**Medium**
FY 2011 Overall Project Rating:	**Medium**

Project Development History and Current Status

In 1992, UTA purchased the Union Pacific Railroad Company's Provo Industrial Lead right-of-way (ROW) located in Salt Lake County. In 2000, a South Salt Lake County Transit Corridors Analysis identified a transit corridor from the existing Sandy LRT station at 10000 South to 14600 South using the existing UTA purchased ROW. UTA included the Draper Transit Corridor in its FrontLines 2015 long range transit plan and program of projects in 2006. A Draper Transit Corridor alternatives analysis was prepared in 2007, which identified a minimal operating segment (MOS) from 10000 South to Draper Town Center. A locally preferred alternative for a light rail alignment running from 1000 South to 14600 South was adopted in 2008 by the Wasatch Front Regional Council.

FTA notified Congress of its intent to approve the project into preliminary engineering in November 2009 and took formal approval action in December 2009. The current project schedule assumes publication of the Draft Environmental Impact Statement (EIS) in December 2009, and a Final EIS in June 2010. Final design approval is anticipated in summer 2010.

Project Justification Rating: Medium

The project justification rating is based on the weighted average of the ratings assigned to each of the following criteria: the cost-effectiveness criterion is weighted 20 percent; the transit supportive land use criterion is weighted 20 percent; the economic development criterion is weighted 20 percent; the mobility improvements criterion is weighted 20 percent; the environmental benefits criterion is weighted 10 percent; and the operating efficiencies criterion is weighted 10 percent.

Cost Effectiveness Rating: Medium-Low

The cost effectiveness rating reflects the level of travel-time benefits (1,500 hours each weekday) relative to the project's annualized capital and operating costs based on a comparison to a baseline alternative.

Cost Effectiveness	
	New Start vs. Baseline
Cost per Hour of Transportation System User Benefit	$25.48*
Incremental Cost per Incremental Trip	$26.91

*Indicates that measure is a component of Cost Effectiveness rating

Transit-Supportive Land Use Rating: Medium-Low

The land use rating reflects the population and employment densities within ½-mile of proposed station areas.

- Existing land use along the corridor is primarily suburban residential. This land use pattern consists of single-family homes, suburban strip malls, and what remains of an agricultural past. Buildings are typically setback from the roadway or sidewalk, and in some instances there are no pedestrian facilities available. There are two station locations where land surrounding the proposed station sites is currently undeveloped.
- Average population density at proposed station areas is 6,500 persons per square mile. Total employment served is 62,862 (including 57,905 in the Salt Lake City Central Business District [CBD]). In the Salt Lake City CBD, the ratio of parking spaces to employees is 0.55, and generally parking is free and available in other station areas.

Economic Development Rating: Medium

The economic development rating is based upon the average of the ratings assigned to the subfactors below.

Transit-Supportive Plans and Policies: Medium-Low

- The region has placed a lot of emphasis on growth management and land conservation but has yet to realize its effects on actual growth. The Wasatch Front Regional Council and Envision Utah have both created documents that discuss strategies focused on growth management and land conservation, including possible implementation strategies. These strategies focus on increasing the transit options available, promoting redevelopment of existing developed land, and increasing density where appropriate. All of the regional localities have endorsed these strategies, but have not taken steps to create policies that would implement the strategies.

- The Draper Town Center area has received a special land use classification that is focused on promoting development centered on transit. The Draper planning commission and city council have held joint work sessions on transit-oriented development (TOD) around the light-rail station. These officials anticipate further changes to the city's development code to encourage and integrate appropriate land uses around transit stations.
- Existing zoning ordinances throughout the corridor permit low to moderate density residential development. Both the City of Draper and the City of Sandy have added zoning ordinances that allows for higher density mixed-use development at the Town Center and Civic Center transit station sites respectively. The other station sites along the alignment did not have zoning changes and will retain the low-density suburban residential character currently in place.
- A study examining the feasibility of TOD at the Draper Town Center found that the existing zoning ordinance would only allow for 12 dwelling units per acre of residential development on the proposed site after the required parking for the station had been sited. The study concluded that the zoning ordinance should be revised to allow for more density to make development more economically feasible for a private developer.

Performance and Impacts of Policies: Medium

- There are a number of developments currently being constructed in Salt Lake City along both existing TRAX light rail lines and extensions. For example, Gateway, which is developed along the existing TRAX line in Downtown Salt Lake City is a 30 acre mixed use development containing 684,000 square feet of retail space and 152 residences located in a 12 story tower. City Creek Center is another mixed use project under construction in Downtown adjacent to the existing light rail, developing up to 324,000 square feet of retail and 700 residences in high rise towers. Daybreak, which is a mixed use project being developed along a TRAX extension, will have 1.6 million square feet of retail, 2.6 million square feet of office space and 20,000 residences clustered around three stations.
- While there are some station locations where expanded development may be difficult because of existing residential neighborhoods, other locations have land that could be potentially developed when economic conditions are ideal. The Sandy Civic Center Station, the 11800 South Station and the Draper Town Center Station all have land that could be developed in the future. These sites could begin as park-and-ride lots, and be redeveloped into mixed-use development once conditions support such a development.

Mobility Improvements Rating: Medium	
	New Start vs. Baseline
Transportation System User Benefit Per Passenger Mile (Minutes)	4.9
Number of Transit Dependents Using the Project	338
Transit Dependent User Benefits per Passenger Mile (Minutes)	8.9

Environmental Benefits Rating: High	
Criteria Pollutant Status	**EPA Designation**
Particulate Matter ($PM_{2.5}$)	Non-attainment Area

Operating Efficiencies Rating: Medium		
	Baseline	**New Start**
System Operating Cost per Passenger Mile (current year dollars)	$0.61	$0.60

Local Financial Commitment Rating: Medium

The local financial commitment rating is based on the weighted average of the ratings assigned to each of the following criteria: the New Starts share of project costs is weighted 20 percent; the strength of the capital finance plan is weighted 50 percent; and the strength of the operating finance plan is weighted 30 percent.

Section 5309 New Starts Share of Total Project Costs: 80.0%
Rating: Low

Locally Proposed Financial Plan		
Source of Funds	**Total Funds ($million)**	**Percent of Total**
Federal:		
Section 5309 New Starts	$169.77	80.0%
Local:		
UTA Local Sales Tax	$38.24	18.0%
Right-of-Way Contribution	$4.20	2.00%
Total:	**$212.21**	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

Capital Finance Plan Rating: Medium-High

The capital finance plan rating is based upon the weighted average of the ratings assigned to each of the subfactors below. The agency capital condition is weighted 25 percent, the commitment of capital funds is weighted 25 percent, and the capital cost estimate, planning assumptions and capital funding capacity subfactor is weighted 50 percent.

Agency Capital Condition: Medium

- The average age of UTA's bus fleet is 6.8 years, which is in line with the industry average.
- UTA's bond ratings, issued in 2009, are as follows: Moody's Investors Service Aa3, Standard & Poor's AAA, and Fitch AA.

Commitment of Capital Funds: High

- All of the non-New Starts funding is committed or budgeted. Funding sources include revenues from UTA's dedicated sales tax and an in-kind contribution of the right-of-way previously purchased.

Capital Cost Estimates, Planning Assumptions, and Financial Capacity: Medium

- Sales tax revenue growth rate assumptions are in line with historical experience.
- The capital cost estimate of the project is considered current and reliable.
- UTA has adequate reserves and available debt capacity to cover cost increases or funding shortfalls greater than 12.5 percent of the estimated project cost.

Operating Finance Plan Rating: Medium-High

The operating finance plan rating is based upon the weighted average of the ratings assigned to each of the subfactors listed below. The agency operating condition is weighted 25 percent, the commitment of operating funds is weighted 25 percent, and the operating cost estimates, planning assumptions and operating funding capacity subfactor is weighted 50 percent.

Agency Operating Condition: High

- UTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 2.9.
- UTA is in excellent operating condition, demonstrating no historical cash flow shortages and no recent service cutbacks.

Commitment of Operating Funds: High

- The funds needed to operate and maintain UTA's systemwide operating costs are 99 percent committed. The primary operating funding source is the dedicated sales and use tax collected in the five counties served by UTA. Other sources include fare revenues, Section 5307 preventative maintenance funding, joint development income, advertising income and interest earnings.

Operating Cost Estimates, Planning Assumptions, and Financial Capacity: Medium

- Assumptions regarding growth in operating costs and sales tax revenues are consistent with historical experience.
- Farebox recovery is assumed to improve significantly over time due to assumed frequent fare increases.
- The project's financial plan shows ending cash balances and available reserve funds that equal 2.5 months of system-wide operating expenses.

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