

South Sacramento Corridor Phase 2
Sacramento, California
Preliminary Engineering
(Based upon information received by FTA in November 2010)

Summary Description	
Proposed Project:	Light Rail Transit 4.3 Miles, 4 Stations
Total Capital Cost (\$YOE):	\$270.00 Million (Includes \$8.1 million in finance charges)
Section 5309 New Starts Share (\$YOE):	\$135.00 Million (50.0%)
Annual Forecast Year Operating Cost:	\$8.84 Million
Ridership Forecast (2030):	10,000 Average Weekday Boardings 2,500 Daily New Riders
Opening Year Ridership Forecast (2016):	7,400 Average Weekday Boardings
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Sacramento Regional Transit District (RT) is proposing to extend its South Corridor light rail transit (LRT) line from its current terminus at Meadowview Road south and east to Cosumnes River College, near the intersection of State Highway 99 and Calvine Road. The project would operate in an exclusive, primarily at-grade right-of-way requiring six street crossings along the alignment. The proposed extension would use existing RT vehicles and operate on 10-minute peak-period headways. Approximately 2,700 park-and-ride spaces would be constructed as part of the project.

Project Purpose: The project is located within one of the fastest growing areas of Sacramento County. Additional development anticipated to the south along Route 99 and Interstate 5, and a high rate of employment growth forecasted for downtown Sacramento, have created the need for additional peak-period transportation capacity between the Sacramento region's southern communities and its central business district. By extending LRT service to the south and providing new park-and-ride opportunities in the corridor, the project is intended to provide an attractive alternative to private automobile travel for trips destined to downtown and other areas served by the LRT system.

Project Development History, Status and Next Steps: The South Sacramento Corridor was identified as a candidate for a future extension of LRT as early as 1991. Following completion of a Draft Environmental Impact Statement (EIS) in 1995, the RT Board adopted a locally preferred alternative for LRT improvements in the South Sacramento Corridor. In response to funding constraints, RT decided to implement the South Corridor LRT in two phases. A minimum operable segment from downtown Sacramento to Meadowview was advanced first and opened for service in September 2003. Following further refinements of the project scope south and east of Meadowview, and work with local stakeholders to further identify transit-oriented development opportunities in the corridor, RT submitted a request to enter preliminary engineering for the South Corridor Phase 2 project, which was approved in February 2005. A Final EIS was published in October 2008, and a Record of Decision in February 2009. RT initiated a supplemental Environmental Assessment (EA) in December 2010 to address changes in the project alignment and ancillary facilities. The supplemental EA is expected to be completed by May 2011, followed by a request to initiate final design in summer 2011.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 New Starts	\$135.00	50.0%
FHWA Flexible Funds (CMAQ)	\$7.10	2.6%
STIP funds*	\$4.30	1.6%
State:		
Proposition 1B- Public Transportation Modernization, Improvement and Service Enhancement Account	\$18.75	6.9%
Proposition 1B- State and Local Partnership Program	\$7.20	2.7%
Traffic Congestion Relief Program	\$8.10	3.0%
State Transit Assistance	\$0.16	0.1%
Local:		
Laguna Community Facilities District (LCFD)	\$1.48	0.5%
Elk Grove/West Vineland Fee District	\$4.20	1.6%
Vineyard Developer Fee	\$0.54	0.2%
Measure A Sales Tax	\$25.27	9.4%
Certificates of Participation	\$57.90	21.4%
Total:	\$270.00	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.

* State Transportation Improvement Program (STIP) funds are state-administered Federal flexible funds augmented by state gas tax and other revenues. These funds are passed from the state to local transportation agencies as STIP funds, but all Federal requirements apply.

**CA Sacramento, South Sacramento Corridor Phase 2
FY2012 Financial Assessment Summary November 2010**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 New Starts Share (20% of summary financial rating)	Medium	The New Starts share of the project is 50.0 percent.
Project Capital Financial Plan (50% of summary financial rating)	Medium	
Capital Condition (25% of capital plan rating)	Medium-High	The average age of the bus fleet is 4.8 years, which is younger than the industry average. The most recent bond ratings, issued in December 2003 and upgraded in April 2010, are as follows: Moody's Investors Service A1.
Commitment of Funds (25% of capital plan rating)	Medium-High	Approximately 90 percent of the non-Section 5309 New Starts funds are committed or budgeted. Sources of funds include Federal Congestion Mitigation and Air Quality Improvement funds, State Traffic Congestion Relief Program funds, State Transportation Improvement Program funds, state Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account funds, state Proposition 1B State and Local Partnership Program funds, State Transit Assistant funds, local Measure A funds, Laguna Community Facilities District funds, Elk Grove/West Vineyard Fee District funds, Vineyard Development Fees and new RT fare revenue bond proceeds from Certificates of Participation.
Capital Cost Estimates, Assumptions and Financial Capacity (50% of capital plan rating)	Medium-Low	Revenue assumptions on the New Starts funding and local match for future projects are more optimistic than historical experience. The capital cost estimate is reasonable for this stage of the project development. The financial plan shows that RT has the financial capacity to cover cost increases or funding shortfalls equal to at least 10 percent of estimated project costs.
Project Operating Financial Plan (30% of summary financial rating)	Medium	
Operating Condition (25% of operating plan rating)	Medium-Low	RT's current ratio of assets to liabilities as reported in its most recent audited financial statement is 1.26; however, major service cuts and significantly raised fares were required in the past several years to make up for revenue shortfalls.

<p>Commitment of Funds (25% of operating plan rating)</p>	<p>High</p>	<p>All operating funding is committed. The main revenue sources are fare revenues, State subsidies, local option taxes (Measure A) and Federal formula and other funds.</p>
<p>O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)</p>	<p>Medium-Low</p>	<p>Assumed growth in operating expenses is optimistic compared to historical experience. Assumed farebox collections and sales tax revenues are consistent with historical experience.</p> <p>Projected cash balances and reserve accounts equal 1.5 months of annual systemwide operating expenses. However, the operating financial plan ends with six years of growing operating deficits.</p>

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Sacramento, California

Preliminary Engineering

(Land Use and Economic Development Rating based upon Information accepted by FTA in November 2008)

LAND USE RATING: Low

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

- Population density within ½-mile of the station areas is approximately 5,100 people per square mile and the total number of employees within ½-mile of the proposed station areas is approximately 1,800. Employment in the Sacramento CBD, to which the project provides a direct connection, is about 105,000.
- Regional development is centered around downtown Sacramento, where 40 percent of regional employment is located. The northern end of the South Corridor project serves this area.
- The South Corridor LRT Extension would connect Consumnes River College to downtown Sacramento.
- There are significant pockets of vacant land in the station areas. Station areas currently have limited pedestrian connectivity, with circuitous pedestrian routes and large lots between adjacent uses and proposed stations.
- Parking is generally available in the corridor. Institutional and retail developments are on or adjacent to large parking lots.

ECONOMIC DEVELOPMENT RATING: Medium

Transit-Supportive Plans and Policies: Medium

(50 percent of Economic Development Rating)

- The Sacramento Area Council of Governments (SACOG), the metropolitan planning organization, has led a multiyear public-oriented regional visioning process called “Blueprint” to educate the public about smart growth initiatives. The city of Sacramento is beginning to implement policies to encourage infill development.
- Two stations highlight renewed commitment to focus development around stations. The plan for College Square development near the proposed CRC station has incorporated neighborhood retail and housing linked by pedestrian pathways and plazas. The proposed Morrison Creek station provides a significant development opportunity. Transit-supportive plans and community plans are being initiated. The light rail project would incorporate new pedestrian bridges and paths to link other corridor stations with existing residential neighborhoods.
- The city of Sacramento has adopted transit-oriented overlay zoning, which provides for higher densities near transit stations, a minimum of 0.4 floor area ratio, and 15 dwelling units per acre, that supports transit-oriented uses and design principles.
- RT’s joint development program has demonstrated progress in recent years. Several requests for proposals are being initiated. Studies for additional projects along the existing South Sacramento Corridor LRT line are currently being performed. Reports of the development review process indicate rejection of some non-transit supportive projects near the proposed stations.

Performance and Impacts of Policies: Medium

(50 percent of Economic Development Rating)

- Some impacts of transit-oriented policies are beginning to be demonstrated. The College Square development has incorporated internal pedestrian paths, neighborhood-oriented retail, and housing, and is under construction at the Consumnes River College Station.
- Growth is occurring in the general vicinity of the corridor. The proposed Morrison Creek station highlights the strongest potential for linking the proposed investment with new development opportunities planned adjacent to the station.

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