

University Corridor LRT
Houston, Texas
Preliminary Engineering
(Rating Assigned December 2009)

Summary Description	
Proposed Project:	Light Rail Transit 11.3 Miles, 19 Stations
Total Capital Cost (\$YOE):	\$1,563.07 Million <small>(includes \$101.5 million in finance charges)</small>
Section 5309 New Starts Share (\$YOE):	\$781.53 Million (50.0%)
Annual Forecast Year Operating Cost:	\$15.84 Million
Ridership Forecast (2030):	49,000 Average Weekday Trips 11,100 Daily New Riders
Opening Year Ridership Forecast (2020):	32,100 Average Weekday Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Metropolitan Transit Authority of Harris County, Texas (METRO) is planning the University Corridor light rail transit (LRT) project to provide a fast transit option to link residents on the east end of the corridor with major employment centers on the corridor’s west end, as well as major activity centers midway through the corridor. The proposed project would connect METRO’s existing Red LRT line and the Southeast Corridor LRT line, currently under construction, and includes 10.6 miles of semi-exclusive right-of-way at-grade, 0.33 miles below-grade in retained fill, and 0.36 miles of aerial guideway over a Union Pacific Railroad right-of-way and US Highway 59. Thirty-two light rail vehicles (LRV) would be purchased. Service would be provided at six-minute headways during peak and off-peak periods.

Project Purpose: The proposed University Corridor project is located within the City of Houston. The corridor has extensive transit service, including 15 local bus routes (57,000 current daily boardings) and seven express park-and-ride routes (15,000 current daily boardings). The current bus network provides combined bus headways that range from three minutes to five minutes during peak periods and 10 to 15 minutes during off-peak periods. However, due to high traffic volumes, narrow lanes, increasing delays at traffic signals, and inadequate roadway capacity, current bus speeds range from only 7.5 to 11.5 miles per hour. Travel time by bus from the Hillcroft Transit Center to the University of Houston-Central Campus currently takes 60 to 65 minutes and requires a transfer. The University LRT line would provide a direct connection to the corridor’s east and west ends, improving mobility for transit riders to the Greenway Plaza and Uptown/Galleria areas – two of the region’s largest activity centers. The LRT line would also offer transfer links via the existing Red Line to downtown Houston, the Texas Medical Center, and the Reliant Stadium complex, among other activity centers.

Project Development History, Status and Next Steps: METRO completed a Draft Environmental Impact Statement (EIS) in August 2007. LRT was the selected locally preferred alternative and adopted into the fiscally constrained long-range transportation plan. FTA approved the project into preliminary engineering in December 2009. A Final EIS was completed in May 2010. FTA issued a Record of Decision in July 2010. METRO anticipates approval into final design in mid-2013, receipt of a Full Funding Grant Agreement in early 2014, and start of revenue service in early 2020.

Significant Changes Since Last Evaluation (December 2009): The project's capital cost estimate and corresponding requested New Starts amount increased from the last evaluation to reflect current year 2011 dollars, additional contingency for LRV procurement and a revised planned revenue operations date. METRO is also updating the project's implementation schedule to reflect an updated revenue operations date. METRO plans to submit an updated financial plan to FTA in late 2012 as part of a request to advance the project into final design.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 New Starts	\$781.53	50.0%
Local: METRO's Dedicated Sales Tax	\$781.53	50.0%
Total:	\$1,563.07	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.

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LAND USE RATING: Medium-Low

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

- Station area population densities average 8,000 persons per square mile. While the project does not serve the Houston CBD, just under 100,000 jobs are located in proximity to the University Corridor's stations.
- Although development is intensifying in certain station areas, most of the University Corridor is characterized by low-density commercial, light industrial, and mixed residential development. Streets are generally in a grid pattern, but pedestrian access is hindered by wide streets, elevated highways and overpasses, expansive parking lots, and in some cases missing sidewalks.
- Two universities are present in the corridor, with many of their athletic facilities, housing and academic buildings within a half mile of the proposed alignment.

ECONOMIC DEVELOPMENT RATING: Medium

Transit-Supportive Plans and Policies: Medium-Low
(50 percent of Economic Development Rating)

- Limited efforts have been made at regional planning and growth management. In 2005, various partners joined to undertake Envision Houston Region, an initiative designed to create a regional "vision" for the future growth of the area. The results informed the 2035 Regional Transportation Plan, which in addition to funding an expanded transit system directs some funds towards the Livable Centers program for planning and implementation for mixed-use places that support walk, bike, and transit travel. No other ongoing regional growth management implementation activities were identified.
- The City of Houston's Urban Corridor Planning initiative, conducted between 2006 and 2008 in partnership with METRO and other stakeholders, resulted in the development of conceptual planning frameworks for six transit corridors, including the University Corridor. The city's Urban Corridor Planning Ordinance, adopted in 2009, provides optional performance standards that developers and property owners may use to enhance the pedestrian realm along designated transit corridor streets. Another ordinance requires six-foot sidewalks with all new development on transit corridor streets.
- The City of Houston is not zoned. Private deed restrictions are often used for both residential and commercial land development to ensure that standards for land use are maintained, but many of the neighborhoods in the University Corridor lack such covenants. Plans for the Tax Increment Reinvestment Zones (TIRZ) in the corridor include design guidelines to promote a more densely developed, pedestrian-friendly, walkable environment, but do not identify implementation mechanisms aside from financing infrastructure improvements.

Performance and Impacts of Policies: Medium
(50 percent of Economic Development Rating)

- Local officials believe the existing Red Line, which opened in January 2004, has been a catalyst for residential and commercial development in the city's downtown and Midtown areas. Moderate to strong growth is forecast in the long term for the University Corridor, and small and large vacant and underutilized lots throughout the corridor provide additional development potential, if land use policies and market forces can be aligned.
- While development has been slowed by the recession, the Houston area has performed better than most metropolitan areas in the past three years.

TX Houston, University Corridor LRT
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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-Low	The average age of METRO's bus fleet is 8.8 years, which is slightly older than the industry average. METRO has no outstanding debt. Therefore, no bond ratings have been issued.
Commitment of Funds (25% of capital plan rating)	Medium	All of the non-Section 5309 New Starts funds are planned. The source of funds is bond proceeds backed by local sales tax revenues. Because the amount of bond financing contemplated exceeds METRO's current authorized debt capacity, the funds are considered planned.
Capital Cost Estimates, Assumptions and Financial Capacity (50% of capital plan rating)	Medium	The assumptions on sales tax growth, inflation, and Federal funding are reasonable compared to historical experience. The amount of bond financing contemplated in METRO's financial plan exceeds METRO's current authorized debt capacity. The capital cost estimate is considered reasonable.
Project Operating Financial Plan (30% of summary financial rating)	Medium	
Operating Condition (25% of operating plan rating)	Medium-Low	METRO's current ratio of assets to liabilities, as reported in its most recent audited financial statements, was just over 1.0 in FY 2008. METRO's transit services have increased in the last five years.
Commitment of Funds (25% of operating plan rating)	High	Over 75 percent of operating funding is committed. Funding sources include fare revenues, sales tax revenues, operating grants, miscellaneous revenue (advertising and ID card fees), and interest income.
O&M Cost Estimates, Assumptions, and Financial Capacity (50% of operating plan rating)	Medium-Low	Assumed growth in operating and maintenance costs and farebox revenues is optimistic compared to historical experience. The financial plan shows projected cash balances exceeding 25 percent of annual operating costs.

