Weber County to Salt Lake City Commuter Rail

Salt Lake City, Utah

(November 2005)

The Utah Transit Authority (UTA) is proposing to construct the 43-mile Weber County to Salt Lake City Commuter Rail project. The project includes eight stations to serve the areas of Pleasant View, Ogden, Clearfield, Layton, Bountiful and downtown Salt Lake City. The commuter rail line would operate within an existing railroad corridor parallel to Interstate 15 (I-15), utilizing right-of-way (ROW) previously acquired by UTA under a rail corridor preservation plan with certain facilities already in place. Approximately 6,300 park-and-ride spaces would be built at corridor stations to expand the transit catchment area beyond the immediate corridor. Bus and light rail transit connections are intended to provide further service to other travel markets, including Weber State University, Hill Air Force Base, Freeport Center, the University of Utah, the Medical Center, and to the areas of Sandy and Draper in the southern part of Salt Lake City. The commuter rail project would operate at 20-minute frequencies during peak-periods. The Weber County to Salt Lake City Commuter Rail project is the northern segment of a planned commuter rail system extending south of Salt Lake City to Provo.

Regional travel forecasts demonstrate that current levels of vehicle congestion on I-15 will continue in the future despite planned highway improvements. The Weber County to Salt Lake City Commuter Rail project is intended to be part of a multimodal solution to the problem of increased travel demand in the corridor. The project would improve the reliability and speed of transit service, thereby attracting more ridership and providing for expanded transportation capacity within the narrow I-15 corridor.

Summary Description	
Proposed Project:	Commuter Rail 43 Miles 8 Stations
Total Capital Cost ($YOE):	$611.7 Million (includes $70.0 million in finance charges)
Section 5309 New Starts Share ($YOE):	$489.3 Million (80.0%)
Annual Forecast Year Operating Cost:	$15.5 Million
Ridership Forecast (2025):	11,800 Average Weekday Boardings
	6,100 Daily New Riders
Opening Year Ridership Forecast (2008):	5,500 Average Weekday Boardings
FY 2007 Finance Rating:	**Medium-High**
FY 2007 Project Justification Rating:	**Medium**
FY 2007 Overall Project Rating:	**Medium**

Division H of the Consolidated Appropriations Act, 2005, permits UTA to count completed and future highway and transit expenditures to meet the local financial share requirements for the Weber County to Salt Lake City Commuter Rail project. UTA's latest financial plan does not fully utilize the provisions contained in the Act, proposing instead an 80 percent share of New Starts funding matched by the value of project ROW and local revenues.

FTA expects to execute a Full Funding Grant Agreement for the Weber County to Salt Lake City Commuter Rail project in FY 2006. The Administration has exempted the project from FTA's cost effectiveness funding policy.

Project Development History and Current Status

The commuter rail project is a part of a local multimodal transportation "shared solution" strategy proposed in several studies developed since the 1980s to meet projected travel demand in the 1-15 Corridor. Completed in January 2002, the *Inter-Regional Corridor Alternatives Analysis* considered a number of transit alternatives for the project corridor, and identified commuter rail to be the locally preferred alternative. The project was approved for entry into preliminary engineering (PE) in December 2003. A Draft Environmental Impact Statement (EIS) was completed in April 2004. A Final EIS was issued in February 2005 and a NEPA Record of Decision was completed in April 2005. The project was approved into final design in June 2005.

Significant Changes Since FY 2006 Evaluation (November 2004)

The project's cost estimate increased from the $581.4 million reported last year, due largely to an increase in the estimated finance costs and inclusion of PE costs. UTA also increased the proposed New Starts funding amount consistent with its 80 percent share assumption.

Project Justification Rating: Medium

The project is rated *Medium* for project justification based on a *Medium-Low* rating for cost effectiveness and a *Medium* rating for transit-supportive land use.

Cost Effectiveness Rating: Medium-Low

The *Medium-Low* cost effectiveness rating reflects the level of travel-time benefits (6,400 hours each weekday) relative to the project's annualized costs. The project cost estimate is considered reliable at this stage of development. FTA notes that the project serves markets which are unusual for commuter rail; consequently, UTA's estimates of travel-time benefits carry some risk.

Cost Effectiveness	
	New Start vs. Baseline
Cost per Hour of Transportation System User Benefit	$22.78*
Incremental Cost per Incremental Trip	$23.88

* Indicates that measure is a component of Project Justification rating.

The project is expected to provide peak period travel times that are competitive with private automobiles traveling within the corridor. Over one-quarter of travel-time benefits accrue to downtown Salt Lake City-bound trips from communities within and to the north of the corridor. Approximately 30 percent of benefits are attributable to reverse commute trips attracted to the corridor (primarily Ogden and other Weber County destinations), which is unusual for commuter rail. Travel forecasts indicate that 20 percent of travel-time benefits accrue to trips to colleges and universities located throughout UTA's existing and planned rail network.

Few cost uncertainties remain. UTA will need to focus on cost containment related to utility relocation, rolling stock procurement, and construction coordination with Union Pacific during project implementation. Guideway, stations, and systems costs are consistent with those of other commuter rail projects in the New Starts pipeline. The project's current cost estimate reflects recent updates to quantities and unit prices for essential scope elements.

Transit-Supportive Land Use Rating: Medium

The *Medium* land use rating is based upon the *Medium* ratings assigned to transit-supportive plans and policies and their performance and impacts, and the *Medium-Low* rating for existing land use in the project corridor.

Existing Land Use: Medium-Low

- The average station area population density is 3,000 residents per square mile. Total station area employment is also relatively low, at approximately 30,600 jobs. Similarly, total employment served by the system is modest at 76,600. This figure includes much of the Salt Lake City CBD.
- The Salt Lake Intermodal Station and the Ogden Station are at the edge of the cities' downtowns, within ½ mile of office buildings and large entertainment and mixed-use complexes. At the stations outside Salt Lake City and Ogden, vacant land and pockets of residential, general commercial, and light industrial development predominate. Land use patterns are largely low-density and auto-oriented.
- The parking supply in downtown Salt Lake City is limited. The average parking cost in the Salt Lake downtown area is $8 per day. Ample free parking appears to be available at all other station areas.
- Overall, current levels of population, employment and other trip generators in station areas are marginally supportive of a major transit investment.

Transit-Supportive Plans and Policies: Medium

- The Salt Lake metropolitan area is experiencing high rates of in-migration. Population and employment increases in the metropolitan area are projected to exceed 30 percent by 2030, and approximately 16 percent of population growth and 26 percent of employment growth are projected to occur in the project corridor. State policy supports locally-initiated growth management policies and programs, which have been guided with some success by the efforts of Envision Utah, a private land use planning advocacy group. However, no legally binding growth management policies are in effect in the region, and land development remains largely market-driven.
- Master planning efforts are actively under way at most stations for the specific purpose of fostering transit-supportive development.
- Official support for transit-oriented zoning is strong throughout the corridor, although planning efforts in most station areas remain at an early stage. High-density transit-oriented zoning has been adopted for sections of downtown Salt Lake City and Ogden.
- UTA has worked closely with the development community and officials from local jurisdictions, who have demonstrated strong support for the project and transit-oriented development in station areas. Several corridor municipalities plan to invest in pedestrian infrastructure in station areas. Salt Lake City is a participant in a program enabling residents within ½ mile of a rail station to have access to increased mortgage credit.

Performance and Impacts of Policies: Medium

- A number of development projects have been located to take advantage of recently-initiated light rail service. However, these initiatives have been limited to the Salt Lake City CBD. There is an expectation that commuter rail service will result in some changes to planned development at several of the proposed commuter rail stations.
- Major redevelopment projects are being constructed in Ogden's downtown, within walking distance of the existing intermodal center.
- A transit-adjacent development with big-box retail and some residential has been proposed for the Farmington commuter station.

Other Project Justification Criteria

Mobility Improvements Rating: Medium		
Within ½-mile radius of boarding areas:		
Existing Employment	30,600	
Projected Employment (2030)	38,100	
Low Income Households (% of total HH)	621 (11%)	
Average Per Station:		
Employment	3,800*	
Low Income Households	78*	
	New Start vs. Baseline	
Transportation System User Benefit Per Project Passenger Mile (Minutes)	1.62*	
Environmental Benefits Rating: High		
Criteria Pollutant (Reduction in tons)	**New Start vs. Baseline**	
Carbon Monoxide (CO)	126	
Nitrogen Oxide (NO_x)	24	
Volatile Organic Compounds (VOC)	8	
Particulate Matter (PM_{10})	13	
Carbon Dioxide (CO_2)	1	
Criteria Pollutant Status	**EPA Designation**	
Carbon Monoxide (CO)	Ogden – Maintenance Area*	
Particulate Matter (PM_{10})	Ogden – Non Attainment Area* Salt Lake County – Non Attainment*	
Annual Energy Savings (million British Thermal Units)	125,432	
Operating Efficiencies Rating: Medium		
	Baseline	**New Start**
System Operating Cost per Passenger Mile (current year dollars)	$0.632*	$0.589*

* Indicates that measure is a component of rating for each criterion.
N/A indicates information was not available for this entry.

Local Financial Commitment Rating: Medium-High

The *Medium-High* local financial commitment rating is based on the *Medium-High* ratings for capital and operating finance plans.

Section 5309 New Starts Share of Total Project Costs Rating: 80%
Rating: Low

Division H of the Consolidated Appropriations Act, 2005, permits UTA to count completed and future highway and transit expenditures to meet the local financial share requirements for the Weber County to Salt Lake City Commuter Rail project. UTA has submitted a financial plan that assumes an approximately 80 percent share of project costs, which would normally result in a *Low* rating for this factor. However, due to the appropriations act provision, the New Starts share of project costs is not applicable to FTA's rating process.

Locally Proposed Financial Plan		
Source of Funds	**Total Funding ($million)**	**Percent of Total**
Federal:		
Section 5309 New Starts	$489.3	80.0%
Local:		
UTA Previously Purchased Right-of-Way Contribution	$40.0	6.5%
UTA Sales Tax and Bond Proceeds	$82.4	13.5%
Total:	**$611.7**	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 is rated *Medium-High*, based upon the average of the ratings assigned to each of the subfactors listed below. The commitment of funds subfactor received a *High* rating; the completeness subfactor received a *Medium-High* rating, and the remaining subfactors were rated *Medium*. The proposed capital plan assumes a 20 percent local match.

Agency Capital Condition: Medium

- The average age of UTA's bus fleet is seven years, which is in line with the industry average.
- UTA's good bond ratings, which were issued in October 2005, are as follows: Moody's Investors Service Aa3 and Standard & Poor's Corporation AA.

Completeness of Capital Plan: Medium-High

- The submission was complete and included a 26-year cash flow, a moderate level of detail, a sensitivity analysis, and supporting documentation. Other than sales tax revenue data, only limited historical data was provided.

Commitment of Capital Funds: High

- All non-New Starts funding is committed. Committed funds include right-of-way previously purchased by UTA, sales tax revenues from UTA's dedicated sales tax, and bond proceeds.

Capital Funding Capacity: Medium

- The project's financial plan shows projected cash balances, reserve accounts, and/or access to credit that would allow UTA to cover cost increases or funding shortfalls equal to approximately 19 percent of project costs.

Capital Cost Estimate and Planning Assumptions: Medium

- Sales tax revenue assumptions are reasonable compared to historical experience. Interest rate assumptions both for bond financing and for reserve accounts are reasonable.

Operating Finance Plan Rating: Medium-High

The operating finance plan is rated *Medium-High* based upon the average of the ratings assigned to each of the five subfactors listed below. The operating condition and commitment of funds subfactors received *High* ratings; completeness of the operating plan received a *Medium-High* rating; operating funding capacity received a *Medium* rating; and the operating cost estimates and planning assumptions subfactor received a *Medium-Low* rating.

Agency Operating Financial Condition: High

- UTA is in very good condition and has experienced continued growth in service during recent years.
- UTA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 3.8.

Completeness of Operating Plan: Medium-High

- The submission was complete and included a 26-year cash flow, a moderate level of detail, a sensitivity analysis, and supporting documentation.

Commitment of Operating Funds: High

- All operating funding is committed. Operating funds include passenger revenues, sales tax revenues, joint development revenues, advertising and other non-passenger revenues, and interest income.

Operating Funding Capacity: Medium

- The project's financial plan shows projected cash balances, reserve accounts, and/or access to credit exceeding 12 percent of annual operating expenses.

Operating Cost Estimates and Planning Assumptions: Medium-Low

- Operating planning assumptions appear overly optimistic compared to historical experience, particularly with regard to forecasted sales tax revenue growth.

Map