



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: July 16, 2007

FR: Anne Richman

RE: Additional Regional Candidate for Federal Small Starts Program

During the 2006 update of MTC's Regional Transit Expansion Program, Resolution 3434, the Commission agreed to consider endorsing one additional candidate project for the Small Starts program. MTC staff plans on working with the Partnership to identify qualified candidates and recommending an additional project to the Commission for endorsement by the end of 2007.

Background

In April 2006, MTC updated Resolution 3434. As part of the update, MTC identified the AC Transit Oakland/San Leandro Bus Rapid Transit Project as its federal Small Starts candidate. The update also left open the possibility that the Commission may consider endorsing one additional regional candidate project.

Under the Small Starts program, created in SAFETEA-LU, a total of \$600 million is available for transit capital projects with a total cost of less than \$250 million and a Small Starts contribution of less than \$75 million. The final federal New Starts/Small Starts guidance, issued June 4, 2007, and the July 2006 Interim Small Starts Guidelines, which contains more specificity, are attached and contain the project eligibility requirements.

The proposed \$200 million FY 2006-07 federal transportation appropriation for the Small Starts program was suspended. Choosing an additional candidate project by December 2007 will position the project for funding consideration beginning in early 2008 and allow the region to have an additional candidate project in place before the annual visits to Washington D.C. by the Bay Area Transportation delegation.

Regional Transit Funding Strategy

MTC will work with the Partnership to create a realistic portfolio of projects and a funding strategy to obtain federal funding. The region has been well served in the past by having a unified approach to competitive federal funding programs. In selecting an additional Small Starts project, the Commission will take into consideration Proposition 1B, potential federal Urban Partnership Program results, and other funding to ensure a diversified regional funding strategy aimed at increasing transit ridership.

Proposition 1B - Transit

Transit operators will receive roughly \$1 billion in bond proceeds based on existing formula. In addition, MTC will program roughly \$347 million in Proposition 1B Population-based funds for capital transit investments throughout the region in June 2007.

U.S. Department of Transportation Urban Partnership Program

MTC has been named a finalist in the federal Urban Partnership Program, designed to be a traffic congestion relief program focused on tolling, transit, telecommuting and technology. Program funding has not been finalized, but potentially could reach \$1 billion. MTC will work with transit partners to aggressively pursue funding opportunities consistent with the program guidance: flexible and cost-effective projects that can be delivered in a short timeframe.

Timeline for Identifying Project

MTC is proposing the following timeline for identifying an additional Small Starts candidate project:

- August 2007 – Issue a call for projects
- September 2007 - Proposals due to MTC
- October 2007 – MTC staff evaluates proposals
- Nov/Dec 2007 – MTC adopts an additional Small Start/Very Small Starts project

Guidelines and Project Selection Criteria

MTC will evaluate projects based on the Small Starts guidelines released in July 2006, the Final Guidance on New Starts/Small Starts Policies and Procedures released in June 2007, and any guidance released by FTA during the review timeframe. MTC will rely on this guidance in selecting a candidate project. As mentioned above, MTC has already endorsed the AC Transit Oakland/San Leandro Bus Rapid Transit Project. Based on the FTA guidance, this project is considered competitive and could serve as a benchmark for an additional candidate project.

MTC will first determine that the submitted projects meet the federal eligibility requirements. Secondly, MTC will select the project with the highest likelihood of success based on the federal selection criteria. MTC will carefully evaluate cost estimates and capital contingency plans as part of the project selection process, based on the Small Starts program including total project costs limits.

As noted above, MTC will take into consideration other funding sources including Proposition 1B and the federal Urban Partnership Program. Sponsors will be asked to submit the same project evaluation data as requested for Resolution 3434.

FTA Definitions of Small Starts and Very Small Starts Categories

Small Starts

In addition to the cost and funding limits specified above, a Small Starts project must either (a) meet the definition of a fixed guideway for at least 50% of the project length in the peak period, or (b) be a corridor-based bus project with the following minimum elements:

- Transit stations,
- Traffic signal priority/pre-emption, to the extent, if any, that there are traffic signals on the corridor,
- Low-floor buses or level boarding,
- Branding of the proposed service, and
- 10 minute peak/15 minute off peak headways or better while operating at least 14 hours per weekday (not required for commuter rail or ferries).

Very Small Starts

Very Small Starts projects are simple, low risk projects that, based on their characteristics and the context in which they are proposed to operate, qualify for a highly simplified project evaluation and rating process. Small Starts projects that qualify as Very Small Starts are projects that:

- Do not include construction of a new fixed guideway (qualifying projects include arterial BRT or rail service on existing trackage);
- Are in corridors with existing riders who will benefit from the proposed project that exceed 3,000 per average weekday with passenger loadings of at least 1,000 riders at the terminal stations; and
- Have a total capital cost less than \$50 million and less than \$3 million per mile, exclusive of rolling stock.

Next Steps

MTC will release a call for projects in August with proposals due back to MTC in September. MTC staff will make a recommendation to the Commission at the November Programming and Allocations Committee. After further consideration and public input, the Commission will consider adopting an additional Small Starts candidate project in December.

Please contact Anne Richman at (510) 817-5722 or arichman@mtc.ca.gov with questions or comments.

Attachments

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disaster for the State of Kansas (FEMA-1699-DR), dated 05/06/2007.

Incident: Severe Storms, Tornadoes, and Flooding.

Incident Period: 05/04/2007 through 05/18/2007.

Effective Date: 05/25/2007.

Physical Loan Application Deadline Date: 07/05/2007.

EIDL Loan Application Deadline Date: 02/06/2008.

ADDRESSES: Submit completed loan applications to: U.S. Small Business Administration, Processing and Disbursement Center, 14925 Kingsport Road, Fort Worth, TX 76155.

FOR FURTHER INFORMATION CONTACT: A. Escobar, Office of Disaster Assistance, U.S. Small Business Administration, 409 3rd Street, SW., Suite 6050, Washington, DC 20416.

SUPPLEMENTARY INFORMATION: The notice of the Presidential disaster declaration for the State of Kansas, dated 05/06/2007 is hereby amended to include the following areas as adversely affected by the disaster:

Primary Counties: Clay, Cloud, Comanche, Leavenworth, Lyon, Reno, Rice, Saline, and Shawnee.

Contiguous Counties:

Kansas: Atchison, Chase, Coffey, Douglas, Geary, Greenwood, Harvey, Jackson, Jefferson, Johnson, Marion, Mcpherson, Morris, Osage, Pottawatomie, Republic, Riley, Sedgwick, Wabaunsee, Washington, and Wyandotte.

Missouri: Platte.

Oklahoma: Harper, and Woods.

All other information in the original declaration remains unchanged.

(Catalog of Federal Domestic Assistance Numbers 59002 and 59008)

Roger B. Garland,

Acting Associate Administrator for Disaster Assistance.

[FR Doc. E7-10709 Filed 6-1-07; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF STATE

[Public Notice 5821]

Culturally Significant Object Imported for Exhibition Determinations: Paul Gaugin's "The Purau Tree" and Paul Cézanne's "A Modern Olympia"

SUMMARY: Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985; 22 U.S.C. 2459), Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et*

seq.), Delegation of Authority No. 234 of October 1, 1999, Delegation of Authority No. 236 of October 19, 1999, as amended, and Delegation of Authority No. 257 of April 15, 2003 [68 FR 19875], I hereby determine that the objects Paul Gaugin's "The Purau Tree" and Paul Cézanne's "A Modern Olympia", imported from abroad for temporary exhibition within the United States, are of cultural significance. The objects are imported pursuant to loan agreements with the foreign owners or custodians. I also determine that the exhibition or display of Paul Gaugin's "The Purau Tree" from on or about September 17, 2007, until on or about September 30, 2010, and the exhibition or display of Paul Cézanne's "A Modern Olympia" from on or about September 17, 2007, until on or about January 30, 2011, in the Nineteenth-Century European Paintings and Sculpture Galleries, The Metropolitan Museum of Art, New York, New York, and at possible additional exhibitions or venues yet to be determined, is in the national interest. Public Notice of these Determinations is ordered to be published in the **Federal Register**.

FOR FURTHER INFORMATION CONTACT: For further information, including a list of the exhibit objects, contact Wolodymyr Sulzynsky, Attorney-Adviser, Office of the Legal Adviser, U.S. Department of State (telephone: (202) 453-8050). The address is U.S. Department of State, SA-44, 301 4th Street, SW., Room 700, Washington, DC 20547-0001.

Dated: May 22, 2007.

C. Miller Crouch,

Principal Deputy Assistant Secretary for Educational and Cultural Affairs, Department of State.

[FR Doc. E7-10701 Filed 6-1-07; 8:45 am]

BILLING CODE 4710-05-P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

[Docket Number: FTA-2007-27172]

Final Guidance on New Starts/Small Starts Policies and Procedures and Notice of Availability of Updated Reporting Instructions

AGENCY: Federal Transit Administration, DOT.

ACTION: Notice of Availability of Final Guidance on New Starts/Small Starts Policies and Procedures and Updated Reporting Instructions.

SUMMARY: This notice conveys the Federal Transit Administration's (FTA) Final Guidance on New Starts/Small

Starts Policies and Procedures. This Policy Guidance complements FTA's previous Guidance on New Starts Policies and Procedures, dated May 22, 2006, by providing further updates and enhancements to the procedures for project planning and development necessary to receive New or Small Starts funding. This notice also announces the availability of FTA's *Reporting Instructions for the Section 5309 New Starts Criteria*, which must be followed when reporting New Starts information for evaluation during the FY 2009 project evaluation cycle, as well as for any requests to enter into preliminary engineering, final design, or a full funding grant agreement until further notice. Finally, this notice provides the schedule for reporting of information for FTA's FY 2009 New Starts budget evaluations.

EFFECTIVE DATE: These policies and procedures will take effect on June 4, 2007.

FOR FURTHER INFORMATION CONTACT: Ron Fisher, Office of Planning and Environment, telephone (202) 366-4033, Federal Transit Administration, U.S. Department of Transportation, 1200 New Jersey Avenue, SE., East Building, Washington, DC 20590 or Ronald.Fisher@dot.gov.

Availability of Comments Considered in the Development of this Guidance, and of the New Starts Reporting Instructions

A copy of the notice of availability of the proposed Guidance, issued on February 12, 2007, and comments and material received from the public as a part of its review of the proposed Guidance, are part of docket FTA-2007-27172 and are available for inspection or copying at the Docket Management Facility, U.S. Department of Transportation, West Building, Room W12-140, 1200 New Jersey Avenue, SE., Washington, DC 20590 between 9 a.m. and 5 p.m., Monday through Friday, except Federal holidays. You may retrieve the Guidance and comments online through the Document Management System (DMS) at: <http://dms.dot.gov>. Enter docket number 27172 in the search field. The DMS is available 24 hours each day, 365 days each year. Electronic submission and retrieval help and guidelines are available under the help section of the Web site. An electronic copy of this document may also be downloaded by using a computer, modem and suitable communications software from the Government Printing Office's Electronic Bulletin Board Service at (202) 512-1661. Internet users may also reach the

Office of the Federal Register's home page at: <http://www.nara.gov/fedreg> and the Government Printing Office's Web page at: <http://www.gpoaccess.gov/fr/index.html>. FTA's Reporting Instructions for the Section 5309 New Starts Criteria is available on FTA's Web site for New Starts planning and project development at http://www.fta.dot.gov/planning/planning_environment_5221.html.

Schedule for Reporting the new Starts Project Justification and Local Financial Commitment Criteria for Evaluation in the FY 2009 Annual Report on Funding Recommendations

The formal deadline for reporting information on the New Starts and Small Starts project justification and local financial commitment criteria—i.e., the New and Small Starts templates and supporting land use and financial information—for evaluation in the *FY 2009 Annual Report on Funding Recommendations* is September 7, 2007. In addition, FTA requests, for projects already in the New Starts or Small Starts “pipeline” (projects in preliminary engineering, final design, or Small Starts project development), that information related to travel forecasts, operating and maintenance cost methodologies, and service annualization factors as appropriate be submitted by July 30, 2007 if this information is different from what was submitted last year. This advanced submission of information helps FTA staff to understand the information underlying the New or Small Starts project justification criteria, and helps to ensure that the information reported in the formal New or Small Starts templates is sufficient for FTA's evaluation and rating of candidate projects. Both the “advanced” and formal submission of information should be sent to the FTA Office of Planning and Environment (TPE), 1200 New Jersey Avenue, SE., East Building, Washington, DC, 20590. In addition, FTA's consultants for financial and land use reviews will be contacting sponsors of projects in the pipeline in late-August 2007 to provide additional direction on transmitting specific information to them for these reviews.

As conveyed in the Policy Guidance, which follows, only projects that are candidates for a funding recommendation (i.e., seeking either an FFGA or PCGA), or which have undergone significant scope, cost, or financial changes, need submit information for evaluation.

FTA considers requests for project entry into preliminary engineering, final design, or Small Starts project development at any time of the year. For

sponsors who hope to have their proposed New Starts project approved into preliminary engineering or Small Starts project approved into project development in time for inclusion in the *FY 2009 Annual Report*, a complete request (with previously FTA-accepted travel forecasts, baseline alternative, build and baseline capital costs, and achievement of other project readiness requirements, as appropriate) must be submitted to FTA no later than September 7, 2007. FTA encourages sponsors of such projects to contact FTA as soon as possible to assess their readiness for preliminary engineering and project development and to prepare their request for advancement. Projects supported by incomplete or premature requests will not be considered for inclusion in the *FY 2009 Annual Report*.

FTA encourages sponsors of candidate New Starts projects to follow the *Reporting Instructions* closely, and to submit complete information according to the deadlines established above. FTA's period for completing its FY 2009 budget evaluations is very short. FTA staff is committed to working closely with project sponsors to resolve any questions or issues with their submittals, but cannot guarantee the acceptance and inclusion of any revised or updated information after September 30, 2007 in time for the FY 2009 evaluation. Project sponsors should contact the FTA Office of Planning and Environment, or their FTA Regional Office, if they have any questions regarding the submission of information for evaluation, or the process for developing such information.

Response to Comments and New and Small Starts Program Changes

The purpose of this notice is to convey the Final Guidance on New Starts/Small Starts Policies and Procedures, reflecting the changes implemented as a result of comments received on the February 12, 2007 notice of availability. FTA finds that there is good cause to make this guidance effective upon publication of this notice because sponsors of projects seeking New and Small Starts funding must have adequate time to prepare information that FTA will use to evaluate projects for inclusion in the President's FY 2009 budget request to Congress.

1. Information Required of Grantee

a. Operating Efficiencies and Environmental Benefits

FTA adopts as final its proposal to no longer require the submission by New

Starts project sponsors of information on FTA's measures for operating efficiencies and environmental benefits.

The elimination of these two requirements is intended to reduce the reporting effort of New Starts project sponsors. FTA has not found that current measures for these two evaluation criteria distinguish, in any meaningful way, the differences between projects. Moreover, FTA believes that the operating efficiencies of New Starts projects are essentially captured under FTA's current measure for cost effectiveness. Until measures can be developed that provide salient information for the environmental benefits criterion that better differentiates the characteristics of projects, grantee submission of the information is not required. FTA's *Reporting Instructions for the Section 5309 New Starts Criteria* have been updated to reflect this change.

Comments: Nearly all of the respondents agreed with this proposal, although many expressed support for the eventual development by FTA of a more effective measure for environmental benefits.

Response: FTA agrees that New Starts projects can make important and meaningful contributions to an improved environment, and believes that their environmental benefits ought to be better captured in the evaluation and rating process. To that end, FTA has been studying a number of potential environmental benefits measures which better distinguish New Starts projects from each other. These measures will be proposed some time in the future and FTA will seek comment on them at that time. At this time, however, FTA will continue to use its current evaluation measure of the Environmental Protection Agency's ambient air quality rating.

b. Transit Supportive Land Use Patterns and Policies

FTA adopts as final its proposal that the resubmission of information on transit supportive land use patterns and policies for the purposes of the Annual Report on Funding Recommendations be optional for both New Starts and Small Starts.

While land use ratings rarely change over the course of a project's development, project sponsors have the option of submitting information for this criterion should they believe that the new information would improve their project's rating.

Comments: Most respondents agreed with the proposal, with some additional suggestions. Several respondents felt that in the absence of an annual

requirement FTA should make clear that land use remains an important part of FTA's evaluation and continue to encourage local governments, with transit agency support, to take supportive land use actions during the course of project development. Others suggested that FTA should continue to raise the standard for land use ratings as a project advances, and require that a project sponsor submit land use information prior to being permitted entry into final design. Finally, a few respondents requested that FTA consider new information for re-evaluation at any time if a sponsor believes that this information will result in improving its project's land use rating.

Response: FTA's proposal to no longer require annual land use reporting should not be construed in any way as a diminishment of its support for good transit-oriented land use planning. Indeed, FTA will re-evaluate a project's transit-supportive land use plans and policies annually if its sponsor desires to submit significant new information. While annual re-evaluations will be at the discretion of project sponsors, FTA will continue to evaluate and rate transit-supportive land use at the time of a request to enter preliminary engineering, and will require a formal re-evaluation and rating of transit-supportive land use at the time of a sponsor's request to advance a project into final design.

c. Annual Report on Funding Recommendations

FTA adopts as final its proposal to no longer require New Starts and Small Starts project sponsors to submit information for evaluation for the Annual Report on Funding Recommendations if their project is not likely to be ready for a funding recommendation. Such information is required, however, for New Starts projects in or near final design, or for projects which have experienced a significant change since its last evaluation.

This policy change is intended to reduce the reporting burden for candidate New and Small Starts projects in their earlier stages of development while at the same time better align FTA's annual project evaluation responsibilities with its statutorily-required *Annual Report on Funding Recommendations*.

Comments: Most of those commenting on this proposal agreed with it. A few respondents suggested that FTA should make reporting optional in cases where local funding processes and conditions would make a new rating necessary or

desirable. A few others expressed concern about what FTA would report in the absence of a formal resubmission of the information supporting the New Starts criteria. Questions on the proposal included what would constitute a "significant" change requiring a new evaluation and rating for projects not being considered for funding; how far in advance FTA would notify sponsors of the need to resubmit updated information; and what criteria FTA would use to determine if a project is a candidate for a funding recommendation.

Response: FTA views its *Annual Report on Funding Recommendations* as a complementary document to the Administration's annual budget request. FTA's proposal was intended to reduce the annual reporting burden on candidate New Starts project sponsors which have not yet reached a level of development necessary to warrant consideration for a funding recommendation. So long as a project sponsor submits information when requesting approval into preliminary engineering and final design (or, for Small Starts, project development) and the project continues to advance on schedule with insignificant changes to its scope, cost, and/or financial plan, additional submissions and a formal re-evaluation (until the time of its consideration by FTA for funding), strikes FTA as unnecessary. However, when a project experiences a significant event e.g., a loss of local revenues that brings into question its local financial commitment; a change in project scope that would have a significant impact on its operation and hence transportation benefits; or an increase in its cost estimate that requires a re-examination of its financial plan and/or threatens the project's cost effectiveness—a formal re-evaluation and re-rating will be required. The examples above serve as general guidelines that might trigger a re-evaluation; the decision on the need for such an evaluation will be made by FTA on a case-by-case basis. The decision to re-rate a project would be made and transmitted by FTA in the previous year's *Annual Report on Funding Recommendations* or by letter no later than April 30 prior to the Fall preparation of the next *Annual Report*, thus providing the sponsor ample time to address any causes of concern and prepare updated information for evaluation.

On the other hand, and at the discretion of project sponsors, FTA will re-evaluate projects that have taken positive steps since preliminary engineering, such as gaining additional funding commitments or reducing

project costs that are expected to improve the project's rating for the *Annual Report on Funding Recommendations*.

In the case where a re-evaluation is not necessary, FTA will report all recent relevant and validated information on a candidate project for the *Annual Report*. The primary focus will be placed on reporting the progress demonstrated by the project sponsor in terms of meeting its schedule, addressing NEPA requirements and design uncertainties, and garnering local funding commitments. For projects advancing under a project development agreement (PDA) with FTA, adherence to the milestones included in the PDA will be noted. Modest changes to the project scope and cost estimate will also be reported (as noted above, major changes would require a formal re-evaluation and rating). It is anticipated that most of this information will be collected over the course of the year as part of FTA's normal project oversight responsibilities. In limited cases it may be necessary for project sponsors to submit supporting documentation on changes in the local financial commitment for their project, although it is not expected that a full financial plan would need to be submitted.

Projects that demonstrate readiness for a funding recommendation will be required to submit updated New Starts criteria and be evaluated and rated, thus ensuring complete information for decision-making. In the absence of any comments on the criteria proposed by FTA to determine when a project will be considered for funding, FTA will continue to utilize the threshold it currently follows: That is, projects expected to be approved into final design by the Spring after the Fall preparation of *Annual Report on Funding Recommendations*. Small Starts projects that have completed NEPA by the Fall preparation of the *Annual Report* would also be considered to be a funding candidate and would be subject to reporting and evaluation.

2. FTA Review of Key Documents

FTA will not adopt at this time the proposed requirement that potential New Starts and Small Starts project sponsors in alternatives analysis provide a timely opportunity for FTA comment on documents describing the alternatives at their conceptual, detailed, and final stages of development. FTA is inclined, however, to establish this requirement at such time that it has the resources and systems in place to address stakeholder concerns with the proposal. In addition,

FTA may propose as a requirement at some time in the future the review of, and comment upon, other key products of the alternatives analysis study process.

The intent of this proposal was to ensure that FTA be involved early in a corridor planning study that might result in the selection of a candidate New or Small Starts project. FTA believes that such involvement produces a number of benefits to the study effort, including the provision of technical assistance for improving the information available to support local decision-making and the management of both FTA and local expectations for advancement of the study and the resulting locally-preferred alternative. This proposed requirement supports FTA's goal of working closely with sponsors of alternatives analysis studies to ensure that communication of Federal and local concerns occurs at the appropriate time so that they can be resolved quickly and avoid negative impact of the study's progress and cost.

Comments: Comments received on this proposal generally recognized the benefit of engaging FTA early in the project development process, but expressed significant concerns about making such engagement a formal requirement whereby FTA would officially review and approve the documents mentioned. Concerns expressed by the majority of commenters included the perceived insertion of FTA into the local decision-making process, the timeliness of FTA's review of the materials, and the potential time and costs these requirements could add to the project development process.

Response: SAFETEA-LU gives FTA the responsibility to ensure that reasonable alternatives are considered in alternative analyses for a project to be eligible for New Starts funding, and that these alternatives are developed in such a way that their costs, benefits, and impacts can be properly presented to decision makers and stakeholders. Documentation and submission to FTA of the descriptions of alternatives at the conceptual, detailed, and final level of definition assists FTA in carrying out this responsibility. FTA believes that such a Federal-local partnership better protects the public interest, which FTA places as its over-arching goal for the New and Small Starts program. FTA's proposal was not intended to undermine local decision-making authority, which FTA holds to be a core principle of alternatives analysis studies.

Furthermore, FTA's proposal never contemplated an approval of the

alternatives (except for FTA's long-standing approval of the New Starts "baseline" alternative). Rather, FTA's reviews would simply highlight for study sponsors the issues surrounding the development of the alternatives that must be addressed in order for a locally preferred alternative to advance into preliminary engineering as quickly as possible.

Nevertheless, FTA is concerned that enforcing this requirement without being able to commit to a timeframe for its review would fail to give project sponsors important information for their project schedules. Therefore, over the next several months, FTA will collect information on existing review times that will help inform us of a reasonable period for the reviews of various products of alternatives analysis studies. Moreover, FTA is currently researching the use of enhanced, technology-based information management systems to improve the efficiency, accountability, and transparency of FTA reviews. In the meantime, FTA will continue to strongly encourage project sponsors to submit documents to FTA for review on the descriptions of alternatives and technical methods and results, as described in FTA guidance and workshops. FTA assures study sponsors that the timely review of these documents is an agency priority.

3. Travel Forecasts

a. Validation Against Travel Patterns

FTA adopts as final the proposal—for implementation in May 2009—that travel forecasts for both New and Small Starts submitted in support of a request to enter preliminary engineering (PE) or project development (PD) be based on travel models that have been validated against data sufficient to describe current ridership patterns.

The purpose of this policy is to ensure that sufficient data on current ridership patterns are available to understand the key markets served by the existing transit system and to check the grasp of those markets by the local travel forecasting procedures. Without adequate data, the identification of purpose and need for a major transit project is substantially limited by the absence of insight into the functions and limitations of the existing transit system. Further, the inability to test the travel forecasting procedures for their understanding of those functions and limitations reduces the credibility of forecasts for transit alternatives in the future.

Comments: Comments reflected a variety of topics ranging from funding to survey bias, with no topic receiving

more than one-third of the nineteen total responses. There was concern that collecting data and then calibrating travel models every five years was costly; that five years was an arbitrary timeline; and that by the time the travel models were calibrated, it would be time to begin data collection efforts again. Other comments indicated that alternative methods of data collection such as automated counts, farebox counts, vehicle location systems and/or telephone surveys should substitute for or supplement system-wide ridership surveys. Comments also noted the difficulty of eliminating survey bias and the need to provide survey requirements to ensure that data is collected uniformly by project sponsors.

Response: During the past five years, a large number of project sponsors have proceeded through alternatives analysis without any useful data on current ridership patterns. The locally preferred alternatives emerging from those analyses have included guideway-expansion projects whose forecasts were prepared without any insight into the ridership patterns on recently opened initial guideway projects in the metropolitan area. Other project sponsors have proceeded with forecasts for initial projects that would depend heavily on park-ride access but without any data on park-ride facilities and express-bus services opened relatively recently in the area. In these circumstances, the forecasting procedures are uninformed by readily available information on travel markets that are key to understanding the benefits of proposed major investments in transit facilities. Consequently, the uncertainties in the forecasts are large and the risks are significant that the forecasts—and therefore the project evaluation and ratings—will be substantially in error.

In these circumstances, any unexpected characteristics in the forecasts become cause for concern and potential delay as project sponsors struggle—without data—to document the reasonableness of the unusual characteristics or to correct the forecasting tools. Therefore, FTA thinks it in the best interest of all parties to have sufficient data on key travel markets, travel forecasting procedures that are tested with those data, and a clear understanding of current ridership patterns as they inform the purpose and need for a major transit project. Further, FTA views the costs of such data collection as very small relative to the value of the information obtained, to the costs of other tasks (engineering, environmental, and others) necessary to

project development, and to the costs of the projects proposed for funding.

FTA agrees that a 5-year horizon—or any fixed point in time—is arbitrary and potentially not useful in many cases. In metropolitan areas with relatively slow growth in population and employment, and with a relatively stable transit system and transit ridership, a 10-year-old on-board survey plus current on-off counts may well be sufficient to prepare useful information on current ridership patterns. Conversely, in rapidly growing areas that have opened the initial guideway facility in the past three years, a 4-year-old survey of bus riders may well be an insufficient basis for understanding the potential performance of a second guideway line. Therefore, FTA will consider the adequacy of data on existing ridership patterns on a case-by-case basis. Project sponsors are advised to discuss with FTA—well in advance of a planned alternatives analysis—the nature, extent, timing, and quality of local data sources on current transit ridership patterns.

Finally, this policy requires the availability of sufficient data on current travel patterns but not the specific method(s) for obtaining that data. Methods for obtaining information from individual riders might include personal interviews with a very limited number of questions, phone surveys, intercepts of riders at stations/stops rather than on board, and other emerging methods. Further, advances in automated passenger counters, farecard systems, automatic vehicle locator systems, and other data-collection methods may reduce the need for information from individual riders. Detailed on-off passenger counts, for example, might be used to update the sample expansion of an older on-board survey. In other circumstances, those counts might be used to estimate station-to-station trip tables, informed by a limited amount of rider-specific information. In general, FTA anticipates that project sponsors will tailor the strategy for data assembly to their individual circumstances to ensure that sufficient useful information is available as efficiently as possible.

b. Mode-Specific Effects

FTA adopts as final its proposal to allow project sponsors that seek to introduce a new transit mode to an area to claim credits (implemented through what is commonly called a mode-specific constant) for the user benefits caused by attributes of that mode beyond the travel time and cost measures currently available in the local travel model. FTA will continue to work closely with sponsors of projects that

have calibrated mode-specific constants to ensure that they are using constants that are generally consistent with the methods and values permitted for sponsors of projects which are new to an area.

This policy establishes a reasonable approach to crediting alternatives that represent new transit modes locally with the mobility benefits caused by changes in transit service characteristics that are universally omitted from current travel forecasting methods. The policy applies to both the transit guideways identified as locally preferred alternatives and to guideway-like elements of baseline alternatives used to evaluate proposed projects. The approach gives credit—and additional user benefits—based on the specific attributes of the alternative as they are perceived by travelers. FTA will assign credits for characteristics in three categories: (1) Guideway-like characteristics (equivalent to a maximum of eight minutes of travel-time savings); (2) span of good service (up to three minutes); and (3) passenger amenities (up to four minutes). Further, FTA will define a discount of up to 20 percent on the weight applied to time spent on the transit vehicle. These credits and discount are applied to the calculation of user benefits only; ridership forecasts will not be affected. This policy is effective immediately except in the case of baseline alternatives in areas that are considering expansion of existing guideway systems. The policy will apply to those alternatives beginning in May 2008 so that project sponsors have sufficient time to modify their travel forecasting procedures.

FTA will issue technical guidance on the application of this policy in the May 2007 Reporting Instructions.

Comments: The most frequent comment was a request that walk access be given a similar user benefit credit as park and ride access trips. Other comments expressed the concern that these credits would penalize both transit agencies seeking to expand an existing mode as well as those agencies with an already well validated travel model. Respondents requested greater transparency on the process of calculating user benefit credits. In addition, respondents would like to utilize local information to supplement the calculation of credits to user benefits in their region.

Response: Because of the large size of the “transportation analysis zones” used in travel models to represent the geography of metropolitan areas, nearly all current travel models overestimate the potential walk access market for

fixed guideways. Many of the walk-to-guideway and walk-from-guideway trips represented in these models would actually require a bus connection. Because a walk-guideway-walk trip is subject to this error at both ends of the guideway trip—and the errors are multiplicative—FTA cannot grant credits for walk-only travel on guideways where the size of that travel market is inevitably and grossly overstated. However, in an effort to capture all credible benefits and reward good practice in local travel models, FTA will consider the full crediting of these benefits for walk-access as well as drive-access transit trips when the local travel models support accurate accounting of walk to guideway walk trips. Therefore, project sponsors may propose the full set of credits where they believe that the local travel models handle walk-access to fixed guideways with sufficient accuracy.

This policy in no way penalizes areas that have existing guideway transit systems and have calibrated forecasting procedures with transit-mode-specific constants and coefficient discounts for guideway transit. The policy remedies a large disadvantage previously faced by sponsors of an initial guideway project in a given metropolitan area.

Technical assistance in the application of the constants can be requested of FTA by contacting the FTA Office of Planning and Environment at (202) 366-4033.

4. Evaluation Criteria

a. Overall Project Justification Rating

FTA adopts as final its proposal to replace the current three-tiered overall project rating scale of “low,” “medium,” and “high” with a five-tiered rating scale of “low,” “medium-low,” “medium,” “medium-high,” and “high” as directed in SAFETEA-LU.

This policy was intended to modify the current overall ratings to be consistent with the ratings specified in SAFETEA-LU, which requires that projects be given an overall rating based on a five-tier scale of “high,” “medium-high,” “medium,” “medium-low,” and “low.” The application of this modest change will be documented in a separate summary document on the FY 2009 New Starts Evaluation and Rating Process, to be issued by June 30, 2007.

Comments: Almost all comments received were supportive of the proposed change to the five-tiered rating scale. A few commenters asked for clarification on the decision rules.

Response: The overall rating is determined by the average of the rating for project justification and for local

financial commitment. When the average of these ratings is unclear (e.g., project justification rating of “medium-high” and local financial commitment rating of “medium”), FTA will round up the overall rating to the higher rating (e.g., project justification rating of “medium-high” and local financial commitment rating of “medium” yields an overall rating of “medium-high”) except in the following circumstances:

- A “medium” overall rating requires a rating of at least “medium” for both project justification and local financial commitment.
- A “medium-low” overall rating requires a rating of at least “medium-low” for both project justification and local financial commitment.

b. Simplified Rating of Local Financial Commitment

FTA adopts as final its policy to add a decision rule that Small Starts and Very Small Starts projects that meet the conditions for a simplified financial rating be given a rating of “high” if their sponsors request no more than a 50% Small Starts share, while those requesting between 50% and 80% share receive no less than a “medium” rating.

Agencies currently receive a simplified financial rating of “medium” if they can demonstrate they have a reasonable plan to secure funding for the local share of capital costs; that the additional operating and maintenance costs of the project are less than 5% of the agency’s operating budget; and that the agency is in good operating condition. By giving higher ratings to projects seeking less Small Starts funding, FTA is providing an incentive for a project to request a lower percentage of Small Starts funding, thus allowing for the program to benefit more localities.

Comments: Nearly half of the respondents supported this proposal. Of those who did not, comments cited this incentive would make it difficult to put together entry level projects; it would dilute other financial considerations of a project sponsor and it may disadvantage high quality projects as measured by other criteria. In addition, other comments requested greater flexibility in the amount of local match or the ability to consider the economic health of the area while still competing for a “high” financial rating.

Response: Projects which meet the aforementioned conditions for streamlined evaluation and rating will in every case receive a rating sufficient to advance in development and be considered for Small Starts funding, regardless of the local share. FTA believes that the ability of project

sponsors to contribute a higher non-Small Starts funding share represents a measure of local commitment to a project that should be recognized in the ratings. FTA further believes that providing higher ratings for requests of less Small Starts funding is entirely consistent with SAFETEA-LU provisions that specify local share as an evaluation consideration. Finally, by specifying that projects seeking Small Starts funding must be under \$250 million in total cost and \$75 million in Small Starts funding, SAFETEA-LU constrains higher cost projects to less than 50 percent in Small Starts funding.

c. Mobility Measures for Transit Dependents

FTA adopts as final its proposal to replace the current measure of mobility benefits for transit dependents with three easily computed measures: (1) The share of user benefits that accrue to transit dependents; (2) user benefits per project passenger mile for transit dependents; and (3) the number of project riders who are transit dependent.

This policy addresses the dimensions of a project’s improvements to mobility: (1) The extent that it benefits transit dependents compared to their representation in the metropolitan area; (2) the magnitude of the increase in mobility for each traveler normalized by the length of their journey on the project; and (3) the number of travelers affected. The overall rating for mobility for transit dependents will be based on the ratings of each of these three dimensions of mobility. The procedures for developing these measures are provided in FTA’s updated *Reporting Instructions for the Section 5309 New Starts Criteria*, available simultaneously with this notice.

Comments: Three-quarters of the respondents were concerned that these measures do not take into account the evolving definition of a transit dependent. Thus, project sponsors who attempt to improve service to those who choose to be transit dependent may not be able to capture this segment by income or employment data. Further, respondents noted that measuring benefits per passenger mile may skew the results to favor long haul transit. In addition, several respondents cited that the NEPA documentation assesses the project benefits to low income and minority populations and may be a more meaningful tool in addressing overall transit equity.

Response: Because travel models stratify the metropolitan population by either auto ownership or income, the current state of the practice can

ascertain the mobility impacts of a project on carless households or the lowest income group used in a travel model. Carless and lower income households are reasonable surrogates for transit dependents. Forecasts of benefits for some other definition would require a new methodology to be implemented for every area seeking Small Starts funding, instead of relying on existing travel models. As noted, long haul transit with infrequent stops may rate well for the user-benefit-per-mile measure. Finally, using NEPA documents to address transit dependent mobility improvements is problematic given that there is no standardized approach for reporting project benefits in NEPA documentation.

d. Subfactors for Local Financial Commitment

FTA adopts as final the three proposed changes to the evaluation and rating of local financial commitment for both New and Small Starts, all of which are related to the sub-factors used to develop the ratings for the stability and reliability of the capital and operating finance plans. These changes include for both the capital and operating plans: (1) Eliminating the completeness sub-factor; (2) merging the existing capacity and cost estimates and planning assumptions sub-factors together; and (3) re-weighting the remaining sub-factors.

This policy is intended to both simplify FTA’s evaluations of local financial commitment and better align considerations of the uncertainty associated with financial planning assumptions with the factor they affect. The application of this modest change will be documented in a separate summary document on the *FY 2009 New Starts Evaluation and Rating Process*, and FTA’s *Guidelines and Standards for Assessing Local Financial Commitment*. Both documents will be available no later than June 30, 2007.

Comments: All comments received were supportive of the proposed changes to the evaluation and rating of local financial commitment.

Response: FTA will reduce the number of subfactors used to develop the ratings for the stability and reliability of the capital and operating finance plans from five to three. The three subfactors will be weighted as follows to arrive at a summary capital/operating rating: (1) Current capital/operating condition (25%); (2) commitment of capital/operating funds (25%); and (3) cost estimates/planning assumptions/capacity (50%).

The three measures used to determine the overall local financial commitment

rating and their weights will be maintained at: (1) The share of non-New Starts funding (20%); (2) the stability and reliability of the capital finance plan (50%); and (3) the stability and reliability of the operating finance plan (30%). All FTA decision rules for determining a rating for local financial commitment will remain in place as well.

e. Innovative Contractual Agreements for Operations

FTA adopts as final its policy that the degree to which a project employs innovative contractual agreements will be considered in the evaluation and rating of the operating finance plan for both New and Small Starts.

This policy is intended to encourage project sponsors to examine innovative operating arrangements that might result in cost savings. FTA will increase the operating plan rating one level from "medium" to "medium-high" or from "medium-high" to "high" if the project sponsor can demonstrate it has provided the opportunity for the operation and maintenance of the project to be contracted out. The operating plan rating will not increase if the operating finance plan rating is below a medium. FTA will revise its guidance documents, including the *Guidelines and Standards for Addressing Local Financial Commitment*, to reflect this change.

Comments: Nearly half of the respondents requested that similar considerations be made for transit agencies that have studied such innovative arrangements, regardless of whether the arrangement was implemented or not. Other comments cited the concern that this proposal could disrupt existing labor union contracts. The last set of comments cited the lack of statutory basis to provide an additional weight for this consideration.

Response: The operating plan rating will be increased for project sponsors that can provide evidence that the operations and maintenance of the project will be contracted out or that simply an *opportunity* has been given for contracting out but that there were substantive reasons for not doing so. FTA believes that current statutes do not prohibit the implementation of this proposal.

f. Rating Information in Planning Studies

FTA adopts as final its proposal that alternatives analysis (AA) final reports and AA/Draft Environmental Impact Statements (Draft EISs) must present—for all alternatives—the information used by FTA to assign New or Small Starts ratings if that information has

been vetted by FTA. If the information has not been vetted with FTA, then the absence of the information must be highlighted in the document.

The intent of this policy is to comply with FTA requirements for AAs and the Council on Environmental Quality for DEISs by identifying information relevant and important to a decision on a locally preferred alternative. If this requirement cannot be met, publication of the AA or AA/DEIS would not be delayed; rather, the absence of the information and its relevance must be explained in the AA or AA/DEIS.

Comments: Many opposed the proposal stating that the NEPA and New Starts process should be independent. Others opposed the proposal because of potential project delays citing the lack of FTA staff to review the information. Others agreed that FTA should allow that a disclosure statement be used in alternatives analysis documents when fully vetted information is not available, which would summarize the New Starts process and explain that information addressing the criteria has not yet been completed.

Response: It has been FTA's long standing policy to integrate the NEPA and New Starts processes because they share common goals. The Council on Environmental Quality regulations state that "an environmental impact statement should at least indicate those considerations, including factors not related to environmental quality, which are likely to be relevant and important to a decision." For projects seeking New or Small Starts funding, rating information that determines whether the project can qualify for funding is "relevant and important to a decision." Regarding concerns over project delays, this policy will not delay a document/project if information on the New Starts criteria has not been vetted with FTA. In such cases, the absence of such information would simply be acknowledged without prejudice with a statement that it has not yet been fully vetted with FTA and therefore no assurances can be given that the alternatives considered, including the locally preferred alternative, would be eligible or competitive for New or Small Starts funding. The inclusion of such a statement simply provides the public and local decision makers full disclosure of the actions necessary to advance the preferred alternative into the New or Small Starts project development process.

g. Other Factors

FTA adopts as final its proposal to incorporate under "other factors" two specific considerations. First, if a

proposed New or Small Starts project is a principal element of a congestion management strategy, in general, and an auto pricing strategy, in particular, the project justification rating could be increased. Second, if a New or Small Starts project addresses significant transportation problems or opportunities in a corridor and the appropriateness of the preferred alternative as a response, FTA will consider the contents of the "make-the-case document" as a standard criterion under "other factors." A "high" make-the-case rating could increase the project's overall rating and a "low" make-the-case rating could decrease the overall rating. FTA further continues to encourage the reporting, under "other factors," of information on a project's economic development impacts. Particularly compelling information may be used by FTA to increase a project's "project justification" rating.

Each of the considerations has the potential of changing the overall project justification rating. The first consideration can only increase the rating while the second can either increase or decrease the rating. The details of how these factors will be applied, along with consideration of the economic development factor will be described in an update to its summary document on the *New Starts Evaluation and Rating Process*, available no later than June 30, 2007.

Comments: In response to the first consideration, comments indicated that a congestion pricing strategy is not effective except in large cities with substantial investment in transit infrastructure. The second consideration was largely supported with just over half of the respondents citing their support. Of those who opposed the consideration, the reason cited was that FTA would be evaluating a document and not the project itself.

Response: The first consideration supports the Department's initiative to address congestion using pricing strategies. Successful pricing strategies have been introduced in medium-sized cities. The purpose of the second consideration, the make-the-case document, is intended to marshal the best available arguments for the proposed project based on the analytical results of planning and project development findings. As such, FTA believes that it provides important information in assessing project merit that complements the mechanical application of ratings and numbers. FTA will base its rating on the extent to which a compelling case is made that addresses this purpose.

Issued on: May 30, 2007.

James S. Simpson,
Administrator.

[FR Doc. 07-2774 Filed 5-31-07; 11:09 am]

BILLING CODE 4910-57-P

DEPARTMENT OF THE TREASURY

Submission for OMB Review; Comment Request

May 25, 2007.

The Department of Treasury has submitted the following public information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104-13. Copies of the submission(s) may be obtained by calling the Treasury Bureau Clearance Officer listed. Comments regarding this information collection should be addressed to the OMB reviewer listed and to the Treasury Department Clearance Officer, Department of the Treasury, Room 11000, 1750 Pennsylvania Avenue, NW., Washington, DC 20220.

Dates: Written comments should be received on or before July 5, 2007 to be assured of consideration.

Federal Consulting Group

OMB Number: 1505-0196.

Type of Review: Extension.

Title: Litigation Management—Information Collection Regarding Proposed Settlements.

Form: TRIP 03.

Description: Section 103(a) and 104 of the Terrorism Risk Insurance Act of 2002 (Pub. L. 107-297) authorize the Department of the Treasury to administer and implement the temporary Terrorism Risk Insurance Program established by the Act. Section 107 contains specific provisions designed to manage litigation arising out of or resulting from a certified act of terrorism. The Terrorism Risk Insurance Extension Act of 2005, Public Law 109-144, added section 107(a)(6) to TRIA, which provides that procedures and requirements established by the Secretary under 31 CFR 50.82, as in effect on the date of issuance of that section in final form [July 28, 2004], shall apply to any Federal cause of action described in section 107(a)(1). Section 50.82 of the regulations requires insurers to submit to Treasury for advance approval certain proposed settlements involving an insured loss, any part of the payment of which the insurer intends to submit as part of its claim for Federal payment under the Program. The collection of information in the notice of proposed settlement in

Section 50.83 that insurers must submit to implement the settlement approval process prescribed by Section 50.82.

Respondents: Business and other for-profit institutions.

Estimated Total Reporting Burden: 5,141 hours.

OMB Number: 1505-0197.

Type of Review: Extension.

Title: Recordkeeping Requirements for Insurers Compensated Under Terrorism Risk Insurance Program.

Description: Sections 103(a) and 104 of the Terrorism Risk Insurance Act of 2002 (Pub. L. 107-297) (as extended by the Terrorism Risk Insurance Extension Act of 2005, Pub. L. 109-144) authorize the Department of the Treasury to administer and implement the Terrorism Risk Insurance Program established by the Act. In 31 CFR part 50, subpart F (Sec. 50.50-50.55) Treasury established requirements and procedures for insurers that file claims for payment of the Federal share of compensation for insured losses resulting from a certified act of terrorism under the Act. Section 50.60 allows Treasury access to records of an insurer pertinent to amounts paid as the Federal share of compensation for insured losses in order to conduct investigations, confirmations and audits. Section 50.61 requires insurers to retain all records as are necessary to fully disclose all material matters pertaining to insured losses. This collection of information is the recordkeeping requirement in § 50.61.

Respondents: Business and other for-profit institutions.

Estimated Total Reporting Burden: 833 hours.

Clearance Officer: Howard Leiken, (202) 622-7139, Department of the Treasury, 1425 New York Avenue, NW., Room 2113, Washington, DC 20220.

OMB Reviewer: Alexander T. Hunt (202) 395-7316, Office of Management and Budget, Room 10235, New Executive Office Building, Washington, DC 20503.

Robert Dahl,

Treasury PRA Clearance Officer.

[FR Doc. E7-10690 Filed 6-1-07; 8:45 am]

BILLING CODE 4811-37-P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

Proposed Collection; Comment Request for Form 1041-ES

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice and request for comments.

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995, Public Law 104-13 (44 U.S.C. 3506(c)(2)(A)). Currently, the IRS is soliciting comments concerning Form 1041-ES, Estimated Income Tax for Estates and Trusts.

DATES: Written comments should be received on or before August 3, 2007 to be assured of consideration.

ADDRESSES: Direct all written comments to Glenn P. Kirkland, Internal Revenue Service, room 6516, 1111 Constitution Avenue NW., Washington, DC 20224.

FOR FURTHER INFORMATION CONTACT: Requests for additional information or copies of the form and instructions should be directed to R. Joseph Durbala at Internal Revenue Service, room 6516, 1111 Constitution Avenue, NW., Washington, DC 20224, or at (202) 622-3634, or through the internet at RJoseph.Durbala@irs.gov.

SUPPLEMENTARY INFORMATION:

Title: Estimated Income Tax for Estates and Trusts.

OMB Number: 1545-0971.

Form Number: Form 1041-ES.

Abstract: Internal Revenue Code section 6654(1) imposes a penalty on trusts, and in certain circumstances, a decedent's estate, for underpayment of estimated tax. Form 1041-ES is used by the fiduciary to make the estimated tax payments. The form provides the IRS with information to give estates and trusts proper credit for estimated tax payments.

Current Actions: There are no changes being made to the form at this time.

Type of Review: Extension of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Estimated Number of Respondents: 1,200,000.

Estimated Time Per Respondent: 2 hours, 38 minutes.

Estimated Total Annual Burden Hours: 3,161,236.

The following paragraph applies to all of the collections of information covered by this notice:

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Books or records relating to a collection of information must be retained as long as their contents may become material

Interim Guidance and Instructions

Small Starts Provision of the Section 5309 Capital Investment Grants Program

July 31, 2006

Prepared by:
Federal Transit Administration
Office of Planning and Environment
US Department of Transportation

<http://www.fta.dot.gov>

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1 Purpose

SAFETEA-LU amended 49 U.S.C. 5309, which authorizes the Federal Transit Administration's (FTA's) capital investment program, to add subsection (e) containing a new capital investment program category for projects requesting Section 5309 Capital Investment Grant funding of less than \$75,000,000 with a total project cost of less than \$250,000,000. That new capital investment program category, referred to as "Small Starts" is to be funded starting in FY 2007.

The "Small Starts" program category resulted from a blending of the Administration's reauthorization proposal and the House and Senate-passed surface transportation authorization bills. Provisions allowing for "Small Starts" were included by the Administration in its proposed reauthorization bill in order to create a simplified process for smaller projects and to extend eligibility to include bus corridor improvements (i.e., "Bus Rapid Transit"). No separate funding category was proposed. Eligibility would have been extended to any bus corridor project which successfully met the justification and financial criteria based on the results of the project development process. The bill which passed the Senate had similar goals to the Administration's bill by expanding eligibility to include bus corridor projects, but had a more detailed eligibility definition and included more specificity on process simplification. As in the Administration's proposal, it did not include a separate category of funding for Small Starts. The Senate provisions were intended to allow smaller cities to compete for Capital Investment funding by providing a simpler process and broader eligibility, including bus rapid transit. In contrast, the House bill provided for a separate funding category and expanded eligibility only to bus corridor projects which operated at least one half in a fixed guideway. A major goal of the House bill was to provide funding for streetcar projects. The provisions included in SAFETEA-LU represent a blend of the provisions and goals from the Administration, House, and Senate bills. Taking this legislative history into account, FTA believes that the Small Starts funding category is intended to provide for a simplified process commensurate with the smaller scale of eligible projects. Further, the Small Starts category is intended to fund a wide range of modal alternatives, including bus rapid transit, streetcar, commuter rail, and other fixed guideway projects.

FTA is in the process of undertaking a rulemaking, as required by SAFETEA-LU, but the current schedule for completing the "Final Rule for Capital Investment Grants" is early 2008. Therefore, as an initial step, FTA is issuing interim guidance and reporting instructions to allow projects into project development as well as for evaluating and rating projects as part of the *Annual Report on New Starts* and making funding recommendations until the Final Rule is in effect.

Like all transit capital investments, FTA intends to seek out those projects that address significant transportation problems or opportunities and provide significant mobility and economic development benefits in a cost-effective manner. And as congestion is one of the Nation's most daunting transportation challenges, FTA will facilitate meritorious projects that are a significant element of a congestion reduction strategy, in general and a pricing strategy, in particular. This guidance further reflects FTA's intent to minimize

changes to established New Starts processes, *except* where it provides for streamlining these processes in the spirit of SAFETEA-LU until any such changes are the subject of the aforementioned rulemaking.

In sum, this interim guidance provides sponsors of potential Small Starts projects with the information required to apply for funding for their projects before the Final Rule for Capital Investment Grants projects becomes effective. It also describes the process that FTA will use to evaluate proposed Small Starts projects to support the decision to approve or disapprove those projects into project development and to support decisions on Project Construction Grant Agreements. The guidance also defines “Very Small Starts” projects and explains how these projects will be evaluated and rated.

This interim guidance does not address how the FTA will make its funding decision nor does it address the division of funding between Small Starts and Very Small Starts. Like all projects in the Section 5309 Capital Investment Grant program, the evaluation and rating process for Small Starts is separate and distinct from the decision to recommend a project for funding. That decision is driven by a number of factors, including the “readiness” of projects for capital funding, geographic equity, the amount of available funds versus the number and size of the projects in the pipeline, and the project’s overall rating. As with the New Starts program, funding for Small Starts projects is subject to the availability of appropriations.

FTA further notes that SAFETEA-LU addressed the issue of the current exemption from the New Starts rating and evaluation process for projects requesting less than \$25 million in New Starts funds. These projects will remain exempt until the Final Rule becomes effective. At that point, all exempt projects will need to be evaluated as Small Starts projects. Since a project cannot always predict how long it may take to move through the pipeline, projects that are currently exempt may choose to remain exempt until the Final Rule becomes effective and hope that they will be in construction by that time, or they may choose to be evaluated and rated according to the procedures described in this interim guidance to ensure that they are eligible under the Small Starts criteria. Earmarks for exempt projects will come from the Small Starts portion of the Section 5309 Capital Investment Grants budget.

2 Eligibility

Small Starts projects are defined as projects requesting under \$75 million in Section 5309 Capital Investment Grant funding with a total cost of less than \$250 million, both in year of expenditure dollars. FTA has scaled the planning and project development analysis to the size and complexity of the proposed projects. To this end, FTA has defined a class of projects that are very simple, low-cost and demonstrably effective called Very Small Starts projects within the Small Starts Program. Very Small Starts will qualify for an even simpler and expedited evaluation and rating process as described in Section 4.

As described in Section 4, Small Starts projects that do not meet the criteria for Very Small Starts, will be evaluated and rated in a similar but much simpler manner as

traditional New Starts projects, that is, only against the evaluation criteria that coincide with the criteria specified in Section 5309 (e) and based on information for the opening year of the project. Any public body is eligible to apply for Small Starts funds, as long as it has the legal, technical and financial capacity to carry out the project. If the applicant is not expected to be the operator of the project, the applicant must demonstrate how the project will be operated and maintained and provide an executed agreement before a Project Construction Grant Agreement can be finalized.

2.1 Small Starts

In addition to the cost and funding limits specified above, a Small Starts project must either (a) meet the definition of a fixed guideway for at least 50% of the project length in the peak period¹, (b) be a fixed guideway project, or (c) be a corridor-based bus project with the following minimum elements:

- Substantial transit stations,
- Traffic signal priority/pre-emption, to the extent, if any, that there are traffic signals on the corridor,
- Low-floor vehicles or level boarding,
- Branding of the proposed service, and
- 10 minute peak/15 minute off peak headways or better while operating at least 14 hours per weekday.

These elements have been identified because experience shows that they represent key features which contribute to transportation and economic development benefits. Further, research has shown that the service frequencies represent the maximum wait times for which passengers are likely to arrive randomly rather than having to consult schedules.

2.2 Very Small Starts

Very Small Starts projects are simple, low-risk projects that, based on their characteristics and the context in which they are proposed to operate, qualify for a highly simplified project evaluation and rating process. Small Starts projects that qualify as Very Small Starts are bus, rail, or ferry projects that possess the general elements described above, but which include other attributes which distinguish them from Small Starts. Very Small Starts must include the following features:

- Substantial transit stations,
- Traffic signal priority/pre-emption, to the extent, if any, that there are traffic signals on the corridor,
- Low-floor vehicles or level boarding,
- Branding of the proposed service,
- 10 minute peak/15 minute off peak headways or better while operating at least 14 hours per weekday (not required for commuter rail or ferries),

¹ The fixed-guideway portion need not be contiguous, but should be located to result in faster and more reliable running times.

- Are in corridors with existing riders who will benefit from the proposed project that exceed 3,000 per average weekday and
- Have a total capital cost less than \$50 million (including all project elements) and less than \$3 million per mile, exclusive of rolling stock.

If a project does not meet all of these criteria, it will be evaluated as a Small Starts project.

2.3 Subdividing Small Starts

Projects that would otherwise qualify for funding as a New Starts project may not be subdivided into several Small Starts projects. Projects may be built in phases or a series of minimum operable segments, but all potential Small Starts projects envisioned for a single corridor will be evaluated together as a single project. If the combined cost or total requested funding amount, both expressed in year-of-expenditure dollars, is over the Small Starts limits, the projects will be evaluated as traditional New Starts projects. The same principle applies to Very Small Starts. All phases of a proposed project in a single corridor must meet the eligibility criteria for a Very Small Start when evaluated as a single project.

2.4 Submission Requirements to Prove Eligibility

To prove that the proposed project qualifies as a Small Starts project based on project costs, sponsors shall submit a detailed cost estimate using FTA's Standardized Cost Categories. Further, project sponsors must document the funding strategy for the project, specifying the dollar amount and percent of Small Starts funds requested and the sources of the proposed non-Small Starts funds to demonstrate eligibility under the Small Starts share criterion. Project sponsors may request up to 80% of the net project cost in Small Starts funds, up to \$75 million, but, because of the competitive nature of the program, are encouraged to request the smallest amount necessary to complete the project. This does not preclude the grantee from applying Federal funds, other than Small Starts funds, to the project.

To prove the proposed project qualifies as a Very Small Starts, project sponsors shall submit:

- A detailed definition of the locally preferred alternative, describing the project elements demonstrating eligibility under this section;
- Documentation demonstrating that existing transit riders in the project corridor that will demonstrably benefit from the proposed Small Starts project exceed 3,000 per average weekday. This documentation will include the following:
 1. Raw data on transit vehicle loadings in the corridor based on ride checks of on's and off's for existing services for 3 days of typical ridership and service
 2. Description of the methods used to count riders in the corridor
 3. Grantee verification of reliable data collection practices
- A transit operating plan that documents the transit services to be impacted by the proposed Very Small Starts project. The operating plan should document the number of existing riders on each affected bus or rail line whose passengers will directly benefit from the proposed Small Starts project. The operating plan must

demonstrate the manner in which existing riders will benefit in terms of reduced travel time, added frequency, or improved passenger amenities.

3 Small Starts Planning Requirements

As required by SAFETEA-LU, Small Starts projects must be the result of planning and alternatives analysis. The following sections describe the general requirements for an alternatives analysis appropriate to projects that are seeking funding as a Small Start to support decisions on entry into project development and to support eligibility for a Project Construction Grant Agreement.

3.1 Alternatives Analysis

While larger projects require that a number of alternatives be considered in an alternatives analysis to assess the numerous tradeoffs in costs, benefits, and impacts, the consideration of Small Starts often implies that fewer useful alternatives exist and in some cases, there may only be two alternatives, one representing the Small Start and the other today's service levels. Nevertheless, the number of alternatives considered must continue to meet the environmental requirements, good planning practices, and proper identification of project costs and benefits for funding recommendations.

In addition, SAFETEA-LU states that the results of planning and alternatives analysis (AA) will be analyzed and considered when evaluating proposed Small Starts projects. Therefore, the alternatives analysis report should address the evaluation and rating criteria specified in this guidance that FTA will use to support a decision regarding entry into project development.

Given its limited staff resources, FTA does not expect to participate in Small Starts alternatives analysis studies to the extent that it desires to be involved in more complex New Starts planning efforts. However, FTA Regional Office and Office of Planning and Environment staff are always available to answer questions on both the technical and procedural aspects of AA studies. Moreover, Small Starts study sponsors are encouraged to submit to FTA key study deliverables such as ridership forecasts and capital costs as they are developed – and before formally requesting entry into project development – to ensure the acceptability of this information to support FTA's evaluation and rating of proposed projects.

3.1.1 Small Starts

FTA envisions that a simplified AA process will be possible for all Small Starts projects as long as one of the alternatives is not a potential New Starts project requesting Section 5309 Capital Investment Grant funds over \$75 million or with a total cost over \$250 million. Projects that cannot qualify as a Very Small Starts project should follow FTA's current guidance on alternatives analysis and proceed through planning; see the New Starts Project Planning and Development page on FTA's website for this guidance. This guidance is flexible enough to take into account the size and nature of the proposed capital investment. As noted previously, the nature of Small Starts investments may lend themselves to an evaluation of a more narrow range of alternatives. Furthermore, less complex analytical methods may be appropriate for estimating project costs, benefits, and

impacts. FTA Office of Planning and Environment staff should be consulted with any questions on an appropriate level of analysis to support the planning and development of Small Starts projects.

3.1.2 Very Small Starts

Projects that are Very Small Starts may utilize a very simple project definition-based AA process. The key elements of the highly simplified alternatives analysis report are:

- A clear description and assessment of the transportation problem or opportunity to improve transportation service in the corridor;
- A clear description of the project designed to solve the problem or take advantage of the opportunity to improve transit service in the corridor. This section should include a clearly defined scope, list of project elements, their associated costs and expected effect on transit service in the corridor;
- A comparison of the Very Small Start to conditions today; including an assessment of the effectiveness of the proposed project in solving the problem or taking advantage of the opportunity in the corridor;
- A determination of whether or not the project sponsor can afford the capital and operating costs of the alternatives;
- A well supported explanation for the choice of a proposed project that includes an analysis of the likelihood of the proposed project achieving the project goals and any uncertainties associated with achieving the project goals; and
- A plan for implementing and operating the proposed project that addresses the project sponsor's technical capability to build, operate and maintain the proposed project.

The above description of an AA for Very Small Starts applies only if FTA has determined that the project qualifies as a NEPA categorical exclusion. (See [23 CFR 771.117](#).) If the project will require an Environmental Assessment (EA) or an Environmental Impact Statement (EIS), and the AA is not being combined with the NEPA document, then the requirements of the FHWA/FTA guidance on [Linking Planning and NEPA](#) would apply in order for the AA to have standing in the subsequent NEPA document. If the project is not a categorical exclusion and the AA is being combined with the EIS or EA, then the NEPA requirements of the EIS or EA (whichever FTA has determined appropriate) would also apply, in addition to the AA requirements listed above.

3.2 Small Starts Baseline Alternative

The measures of mobility that support project justification are based on a comparison between the proposed Small Starts project and a baseline alternative. FTA will approve the baseline alternative to be used in the evaluation of Small Starts before the project is allowed to enter into project development.

3.2.1 Small Starts

Small Starts projects and fixed guideway Very Small Starts projects will in most cases define a transportation system management (TSM) alternative to use as the baseline. The

TSM alternative will generally have the features and costs similar to a Very Small Starts arterial bus project. In general, the baseline alternative for Small Starts projects will be defined to address the problem or opportunity in the corridor using low-cost non-fixed guideway improvements, while providing for comparable levels of service to the proposed Small Start.

3.2.2 Very Small Starts

Very Small Starts Projects that do not involve constructing a new fixed guideway, and are composed of pre-approved low-cost elements, will use the future no-build alternative as the baseline alternative. The future no-build is defined as the continuation of existing transit service policies in the study area to the forecast year. Very Small Starts projects that include a fixed guideway will follow the Small Starts baseline guidance above.

4 Evaluation Criteria and Measures

FTA's objectives for all project evaluation efforts are that: (1) the evaluation measures are accurate indicators of the performance of proposed projects, (2) the measures are readily computed by project sponsors, (3) the measures are transit-mode-neutral, and (4) the measures are free of inherent biases that would distort the level playing field that is essential to FTA's management of the New and Small Starts pipeline. Further, FTA hopes to ensure that the evaluation of proposed projects is sensitive to their scale and complexity.

Until the issuance of the final rule, the Small Starts evaluation framework and measures will be consistent with the framework established for evaluating New Starts, with the exception that fewer measures are required and their development is simplified. Specifically, FTA's evaluation and rating process for Small Starts will diverge from traditional New Starts in several important ways. First, project cost effectiveness will be rated based on a shorter time frame, i.e. opening year, and less data, as presented below and in Section 7. Second, other technically acceptable ridership forecasting procedures, besides traditional "four-step" travel demand models, will be allowed with FTA concurrence. Third, while FTA intends to use the same cost-effectiveness breakpoints that are applied to all New Starts projects, the opening estimate of year user benefits will be adjusted upward, using a nationally estimated 20-year growth forecast, to account for the additional user benefits that are expected to accrue from the project over a 20-year period. The factor used in this adjustment will be 1.5; meaning user benefits will be increased by 50%. Without this adjustment, Small Starts projects would be held to a higher standard since the breakpoints were originally calculated assuming a 20-year forecast. Fourth, FTA has developed simplified financial and land use reporting requirements for Small Starts. Information for FTA's evaluation of local financial commitment is presented below, while Appendix A of this guidance describes the land-use submission requirements that will apply to Small Starts projects.

Fifth, SAFETEA-LU requires that FTA consider economic development and the reliability of cost and ridership forecasts in its evaluation of proposed New Starts projects. The measures for these criteria and how they will be used by FTA in its evaluation of

Small Starts projects is the subject of formal rulemaking. Until issuance of the Final Rule, FTA will implement the statutory requirement in SAFETEA-LU to consider economic development by evaluating this criterion as an “Other Factor” as provided for by Section 5309(d)(3)(D) of SAFETEA-LU. This in no way diminishes the importance of economic development as a rating factor. Project sponsors are strongly encouraged to submit, in as much detail as possible, any documentation that supports the finding that the proposed project will result in economic development benefits. This documentation should be focused on evidence showing that proposed development is directly related to the Small Starts project and would not occur without the Small Start being built. FTA will evaluate and rate this factor and consider economic development in the project justification rating. In addition, FTA will continue to qualitatively report on the reliability of cost and ridership forecasts for specific projects in the *Annual Report on New Starts* and correspondence with New Starts project sponsors.

Finally, if a Small Starts project is proposed as a significant element of a comprehensive congestion reduction strategy in general, and pricing, in particular, this information should also be reported to FTA as an “Other Factor.” Inclusion of this information as an “Other Factor” will result in a project’s rating being increased.

With respect to Very Small Starts projects, as described below there is an even more simplified submittal for information to support an evaluation under the existing framework.

4.1 Project Justification

4.1.1 Small Starts

As mentioned above, Small Starts projects that are not Very Small Starts projects will be evaluated and rated according to the criteria established in law using a framework similar to traditional New Starts projects. In other words, Small Starts projects will have a separate rating for Project Justification, which will include land use, cost effectiveness, and other factors (including economic development). As noted, cost effectiveness must be estimated and reported for the opening year of service, but the number of user benefits used in the calculation will be increased by a factor of 1.5, reflecting a national 20-year growth assumption. Project sponsors should use the Annualized Cost Worksheets for the New Starts build and baseline alternatives contained in FTA’s Standard Cost Categories and Template 9 *Incremental Cost per Hour of Transportation System User Benefits*, contained in the [May 2006 Reporting Instructions for the Section 5309 New Starts Criteria](#), both of which are available on the FTA website for *New Starts Project Planning and Development* at http://www.fta.dot.gov/16893_ENG_HTML.htm

FTA uses three primary rating categories in its evaluation of the transit supportive land use which supports candidate New Starts. These categories reflect the desire to clearly distinguish among three primary aspects of land use: 1) existing land use patterns; 2) transit supportive plans and policies; and 3) the performance and impacts of these policies. For Small Starts, the same categories will be utilized. However, several factors which are included under each category have been either streamlined or eliminated, and

the reporting of both qualitative and quantitative data by project sponsors has been reduced. Appendix A of this guidance presents simplified land use reporting instructions for Small Starts (which are not Very Small Starts).

Finally, and as noted previously, FTA encourages candidate Small Starts projects to report on the anticipated economic development impacts of their proposed transit investments. In this interim period until issuance of a Final Rule, FTA is not prescribing any specific measures or format for the reporting of this information. Rather, FTA seeks well-reasoned, strongly-justified, and verifiable qualitative and quantitative explanations of the expected economic development benefits and outcomes of the proposed Small Starts project. Care should be taken to distinguish the economic benefits of the project from other local factors and conditions which may contribute to favorable economic development.

4.1.2 Very Small Starts

The interim procedures used for Very Small Starts will be very simple and streamlined compared to both traditional New Starts *and* other Small Starts projects. FTA believes that meritorious transit projects provide transportation benefits commensurate with the cost required to achieve them, increase mobility for existing and new transit riders, support transit oriented land-use, and promote economic development. For Very Small Starts, project effectiveness will be proven simply by qualifying as a Very Small Starts project. FTA, using a variety of existing projects, developed the criteria for Very Small Starts projects in such a way that such projects are “warranted” as being effective and cost-effective at producing significant mobility benefits and supporting land use and economic development *by their very nature*. More specifically, FTA has identified required elements for Very Small Starts projects (see Section 2.2) ensuring that they produce significant transportation benefits at a very low cost. FTA has already determined that such projects are cost-effective so no further analysis is required and each project will receive a “medium” rating for cost-effectiveness.

In addition, FTA considers projects in corridors that meet the minimum existing ridership threshold, noted in Section 2.2, to be in corridors with transit supportive land use appropriate to the proposed level of investment. Because Very Small Starts projects will demonstrably provide more accessibility to corridors with transit supportive land uses, the projects will provide land use/economic development benefits commensurate with their costs. Therefore, the land use ratings for “warranted” projects will automatically be “medium.”

4.2 Local Financial Commitment

For all Small Starts – including Very Small Starts - FTA will evaluate the financial capability of the project sponsor to construct and operate the proposed investments. However, due to the small scale and relative simplicity of these projects, FTA will streamline the financial evaluation significantly.

If the project sponsor can demonstrate the following, the project will receive a “medium” financial rating:

- A reasonable plan to secure funding for the local share of capital costs or sufficient available funds for the local share (all non-New Starts funding must be committed before receiving a Project Construction Grant Agreement);
- The additional operating and maintenance cost to the agency of the proposed Small Starts project is less than 5 percent of the agency's operating budget; and
- The agency is in reasonably good financial condition.

To prove these conditions, the project sponsor shall submit:

- Template 13 New Starts Project Finance Worksheet, reporting information only as applicable for Small Starts projects;
- A detailed plan to secure funding for the local share of project costs which includes the sources, amount, and steps needed to secure funding commitments;
- A detailed operating and maintenance cost estimate;
- The current agency budget documenting that the project's O&M costs would constitute no greater than a 5 percent of systemwide O&M costs; and
- Three years of audited financial statements documenting the financial health of the transit agency.

If a sponsor for a Small Starts project does not have all of the relevant information to prove these conditions, then the project sponsor will need to develop and submit a financial plan consistent with [FTA's June 2000 Guidance for Transit Financial Plans](#), but only covering the period up to and including the opening year. The financial plan will be evaluated and rated based on 1) the New Starts funding share, 2) the strength of the capital funding plan, and 3) the strength of the operating funding plan. The plan will be rated based on the framework outlined in the [May 2006 Reporting Instructions for the Section 5309 New Starts Criteria](#).

5 Entry into Project Development

5.1 Small Starts

In the Small Starts program, all preliminary engineering and final design work is combined into one phase, referred to as "Project Development." Small Starts projects that cannot qualify as Very Small Starts must demonstrate the same "readiness" and prepare and submit the same information (and New Starts Reporting Templates; please refer to FTA's [May 2006 Reporting Instructions for the Section 5309 New Starts Criteria](#)) as traditional New Starts projects entering preliminary engineering with the following key differences:

- FTA's cost-effectiveness measure and related travel forecasting results will be calculated and reported using the opening year forecast,
- The land use information should be appropriate to the importance of land use to the proposed project's success, and reported with modified Templates (see Appendix A),

- The financial plan need only cover the period up to and including the opening year, and
- Project sponsors are not required to submit the information on Templates 3, 4, 5, 6, 7, and 10.

All Small Starts projects will need to achieve an overall rating of “medium” or better, comprising of a “medium” or better rating for both project justification and local financial commitment as defined in Section 4 of this interim guidance. FTA approval to enter into project development will be subject to any required Congressional notice.

5.2 Very Small Starts

For Very Small Starts projects, while the general principles described above apply, the decision to approve entry into project development will be based on a review of only the following items:

- An alternatives analysis report as defined in Section 3.1,
- Evidence that the Very Small Starts project has been selected as the Locally Preferred Alternative,
- Evidence that the proposed Very Small Starts Project has been adopted into the fiscally constrained Long Range Transportation Plan,
- Documentation that the [NEPA scoping process](#), appropriate to the project's NEPA class of action, has been completed,
- Template 1, *Project Description* from the [May 2006 Reporting Instructions for the Section 5309 New Starts Criteria](#), reporting information only as applicable for Small Starts projects,
- A “Making the Case” document which describes the benefits of the proposed project and why it is the most appropriate investment for addressing identified problems and/or opportunities in the corridor. Guidance on the “Making the Case” document can be found in the [May 2006 Reporting Instructions for the Section 5309 New Starts Criteria](#),
- A detailed project definition, scope, and cost estimate using FTA Standardized Cost Categories in base year and year of expenditure dollars, and
- The financial submission requirements defined in Section 4.2.

6 FTA Funding Recommendations

FTA may recommend proposed Small Starts/Very Small Starts projects for funding after they have been approved to enter into project development, are “ready” to implement their proposed project and continue to be rated at least “medium” for both project justification and local financial commitment. Projects that meet these conditions may be recommended for funding in the *Annual Report on New Starts*, subject to funding availability.

As with all New Starts, the rating process is separate from the budget decisions. Projects that achieve a “medium” or better rating for project justification and local financial

commitment will be eligible to receive Small Starts funds, but are not guaranteed to receive any funding in the President's Budget.

7 Project Construction Grant Agreement

In any instance in which FTA decides to provide financial assistance under Section 5309 for construction of a Small Starts project, including Very Small Starts projects; FTA will negotiate a Project Construction Grant Agreement with the grantee during project development. The terms and conditions of the Project Construction Grant Agreement will include, at a minimum, the following terms:

- The grantee will be required to complete construction of the project, as defined, to the point of initiation of revenue operations, and to absorb out of local or non-Section 5309 Capital Investment Grant funds, any additional costs incurred or necessitated by the project during construction;
- FTA and the grantee will establish a schedule for anticipating Federal contributions during the construction period; and
- Specific annual contributions under the Project Construction Grant Agreement will be subject to the availability of appropriations and the ability of the grantee to use the funds effectively.
- The total amount of Federal funding under Project Construction Grant Agreements and potential funding under Letters of Intent will not exceed the amount authorized for Small Starts under 49 U.S.C. Sec. 5309.

FTA may also make a "contingent commitment," which is subject to future congressional authorizations and appropriations, pursuant to 49 U.S.C. 5309(g)(B) 5338(c), and 5338(f).

Execution of the Project Construction Grant Agreement will be subject to a 60 day congressional review.

All Small Starts that receive a Project Construction Grant Agreement will be subject to the Before-and-After Study requirement. The Before-and-After Study describes the impact of the project on transit services and ridership and evaluates the consistency of predicted versus actual project characteristics and performance. Small Starts that cannot qualify as Very Small Starts shall follow FTA guidance on the Before-and-After Study requirement for New Starts. For Very Small Starts, the Before-and-After Study will consist of a very simple analysis of the following:

1. A post-construction cost summary in FTA standardized cost categories compared to the cost estimate at the time of entry into project development;
2. A comparison of actual ridership (on's and off's) in the corridor provided in the application to enter project development and new counts done two years after opening; and
3. A comparison of transit schedules and frequencies between the transit services in the corridor as it existed at the time of entry into project development and two years after opening.

8 Small Starts/Very Small Starts Reporting Checklist

The following checklist is provided to aid project sponsors in preparing applications to enter into project development for Small Starts. Since the reporting requirements for Very Small Starts are much less than for Small Starts, the checklist is divided into two sections: the first for all Small Starts projects and the second, the additional information required of Small Starts projects that are not Very Small Starts projects. Specific information and instructions regarding Reporting Templates, Standardized Cost Categories, Summit reports, Financial Plans, etc., are provided in much greater detail in the [*Reporting Instructions for the Section 5309 New Starts Criteria*](#) and other guidance documents available on the FTA web site.

Reporting Item	Required Information
FOR ALL SMALL STARTS	
For Entry into Project Development	
Alternatives Analysis Report	Final Report
Selection of the Locally Preferred Alternative	Proof of local action
Agreement on Baseline Alternative	FTA concurrence
Initial information for before and after study	Ridership and cost inputs and estimates
NEPA Scoping (as appropriate to the NEPA Class of Action)	Scoping report or memorandum evidencing completion
Project Background and Summary	
Project Description Worksheet	Template 1
Documentation of existing, benefiting transit riders in corridor (only for Very Small Starts)	Data, methodology, maps of affected routes, evidence of benefit for affected riders
Make the Case Document – Describe and illustrate the nature and extent of the problem or opportunity in the corridor	Narrative, Data, Maps, Graphics
Other Factors	
Other Factors including documentation of whether the proposed project is a significant element of a comprehensive congestion reduction strategy and whether that strategy includes pricing.	Narrative, Data, etc.
Project Maps	
Project Site Map	Map
Vicinity Map	Map
Capital Costs	
Standard Cost Categories Worksheets	
Main Worksheet for Build and Baseline	SCC
Inflation Worksheet	SCC
Project Schedule	SCC
Funding Sources by Category	SCC
Funding Source By Year	SCC
Local Financial Commitment	
Project Finance Worksheet (enter data only as appropriate for Small Starts)	Template 13
Project Finance Plan up to Year of Opening (submit only if project O&M > 5 percent of total agency operating costs)	Financial Plan
Additional Supporting Documentation – Proof of funding commitments and 3 years audited financial statements, etc...	Narrative, Plans, Data, etc.

ONLY FOR SMALL STARTS THAT ARE NOT VERY SMALL STARTS	
Travel Forecasts – Year of Opening	
Summit Software Reports and Maps – Or results of an FTA approved alternative ridership forecasting process (contact FTA if planning to use alternative methods)	
Summary “roll-up” report	Summit Output
Summary reports for each trip purpose (i.e. HBW, HBO, NHB, etc.)	Summit Output
Trip length frequency reports and row and column sum reports for each trip purpose	Summit Output
Map of district boundaries and names that includes project alignment and station locations	Graphic
Two thematic maps for each trip purpose (productions and attractions) and for total user benefits across all trip purposes	Summit Output
UBQC Worksheet	“UBQC” Template
Annualization Factor Justification	Narrative, Data
Cost Effectiveness (at Year of Opening)	
Annualized Cost Worksheets for Build and Baseline	SCC
Cost Effectiveness Worksheet – User Benefits	Template 9
Other Factors	
Other Factors including an assessment of potential Economic Development Impacts	Narrative, Data, etc.
Transit Supportive Existing Land Use and Future Patterns	
Supplemental Land Use Information Worksheet	Simplified Template 11 (see Appendix A)
Quantitative Land Use Information Worksheet	Simplified Template 12 (see Appendix A)
Additional Supporting Land Use Documentation	Narrative, Plans, Data, etc.
Other	
Certification of Technical Assumptions	Template 2

APPENDIX A:

Transit Supportive Land Use: Reporting for Small Starts Projects

July 2006

Existing Land Use, Transit Supportive Land Use Policies, and Future Patterns

FTA gathers and reviews summary information, supporting documentation, and quantitative data prepared by local agencies to assess the existing land use, transit supportive land use policies, and future patterns associated with proposed New Starts projects, including Small Starts projects. This guidance is intended for Small Starts project sponsors to assist in the preparation and submission of the materials that FTA uses to assess and rate a proposed project's transit supportive land use.

FTA uses three primary rating categories in its evaluation of New Starts and Small Starts projects. These rating categories reflect the desire to clearly distinguish among three primary aspects of land use: (1) existing land use patterns; (2) plans and policies; and, (3) expected impacts. The categories and factors for Small Starts projects are:

1. Existing Land Use

2. Transit Supportive Plans and Policies – Includes the following factors:

- Transit Supportive Corridor Policies;
- Supportive Zoning Regulations Near Transit Stations; and
- Tools to Implement Land Use Policies.

3. Performance and Impacts of Policies – Includes the following factors:

- Performance of Land Use Policies; and
- Potential Impact of Transit Project on Land Use.

As explained in the *Interim Guidance and Instructions*, Very Small Starts projects do not have to report land use information for evaluation.

Key Differences in Reporting Requirements Compared to New Starts Requirements

Project sponsors familiar with New Starts reporting requirements will recognize many similarities with the standard New Starts requirements, as the general evaluation criteria and methods are the same. A number of key differences have been introduced, however, that are designed to simplify the reporting process for Small Starts projects and also to respond to Congressional direction regarding the Small Starts program. These differences include:

- The “Growth Management” factor (referred to as factor 2A in the *Reporting Instructions for the Section 5309 New Starts Criteria*) has been eliminated, acknowledging the relatively smaller scope and more limited regional influence of Small Starts projects, compared to New Starts projects.
- The “Other Land Use Considerations” factor has been eliminated. In FTA’s experience, land use-related issues reported under this factor can generally be considered appropriately under one or more of the existing land use factors.
- Template 11 (narrative reporting) has been simplified. Project sponsors are asked to focus their reporting to responding, as briefly as possible, to each of the questions posed under each factor, rather than compile detailed narratives as for traditional New Starts.
- The reporting scope for Small Starts projects is likely to be more limited than for New Starts projects. Since Small Starts projects typically involve closely-spaced stops within a

relatively small project area, it will be sufficient in most cases to provide a description for the project corridor as a whole (1/2 mile buffer around all station areas), rather than for individual station areas. The fact that most Small Starts projects will be contained within a single local jurisdiction also will greatly simplify reporting requirements relative to many New Starts projects.

- The quantitative data requirements on Template 12 have been reduced. Only metropolitan area population and employment, central business district (CBD) employment, and total station area population and employment (within a 1/2 mile buffer of stations) are required. Station area data need not be reported for individual stations.
- Supporting documentation requirements have been reduced. Documentation of relevant land use plans and policies is still requested, if it is readily available. However, project sponsors are not expected to extract or reference specific statements or details from the supporting documentation. Project sponsors also are advised that to the extent that such documentation is available electronically, it is adequate to reference Internet links to these documents or provide them on a CD-ROM, rather than providing hard copies. (Provision of electronic documents is also acceptable for New Starts project submissions.)

Reporting Method and Data Sources for Existing Land Use, Transit Supportive Land Use Policies, and Future Patterns

At the time of its request to enter project development, local agencies will submit Templates 11 and 12 and supporting materials to assist in information gathering during the Small Starts review process. In general, local agencies are not expected to generate additional analyses, documents, or quantitative data addressing land use issues in order to satisfy the reporting requirement for the *Existing Land Use, Transit Supportive Land Use Policies, and Future Patterns* criterion. In most instances, agencies will be able to rely on readily available materials that have been prepared in conjunction with other studies and analyses, such as station area planning activities, local comprehensive planning and economic development initiatives and corridor studies. Local planning and economic development staff also can serve as a knowledgeable resource to provide the requested information.

Information on the *Existing Land Use, Transit Supportive Land Use Plans, and Future Patterns* criterion should be organized as follows:

Table of Contents: Local agencies should provide a Table of Contents at the beginning of their submission, summarizing all provided materials.

Project Description: Applicants are required to submit the Project Description worksheet as part of their full Small Starts application. Applicants should include a copy of this worksheet with their land use submittal.

Maps: Project maps should be submitted that clearly indicate the location of the project and all stations, with reference to: 1) the major highway network; 2) other major transit connections; 3) the CBD and other major activity centers; 4) boundaries of local jurisdictions; and 5) boundaries of the project study corridor.

Summary Information (Qualitative Data): Template 11 is the reporting format for providing summary qualitative information on each of the rating categories: (1) Existing Land Use; (2) Transit Supportive Land Use Plans and Policies; and (3) Performance and Impacts of Policies. Template 11 allows local agencies to provide written statements to highlight or expand upon information for specific factors. When completing Template 11, local agencies should respond to the specific questions posed in Figure 1. Local agencies may also provide references to existing maps, plans, or other documentation attached with the submittal that address the specific factor and type of information requested by FTA.

Quantitative Data: Template 12 is the reporting format for Quantitative Data. The objective of gathering these data is to better understand base year information about population and employment associated with the project. These subjects are addressed at the metropolitan, CBD, and station area levels. Appendix A of the *Reporting Instructions for the Section 5309 New Starts Criteria*² provides a sample methodology for estimating station area population and employment. FTA requests that sponsoring agencies follow this methodology in order to ensure consistent reporting of quantitative data among New Starts and Small Starts applicants.

FTA recognizes that some agencies may have to conduct additional analysis to provide the quantitative data requested in Template 12. Population and employment data for base and forecast years may be obtained from the regional MPO at a traffic analysis zone (TAZ) level, since these data are collected as inputs to travel demand forecasting models. Recent population data at a block group or tract level may also be obtained from the U.S. Census. FTA intends to use the data reported in Template 12 to arrive at a more complete understanding of proposed projects and to develop more thorough information about existing and forecast population and employment densities. It is hoped that, in cases where agencies have not prepared these data previously, the development of this information will be as useful for agency planning and analysis as it is for FTA's New Starts project review.

Supporting Documentation: FTA recommends that project sponsors provide supporting documentation (or links to on-line versions of this documentation) referenced in their submission. Agencies should provide any information that is readily available but are not expected to generate new supporting information if it does not exist. Examples of supporting documentation may include corridor and station area maps, local comprehensive plans and zoning ordinances, documentation of station area planning efforts, and documentation of other tools, incentives, and programs affecting corridor and station area land use. This documentation is not required, but to the extent that it is readily available, it can help to support the project sponsor's narrative description. Specific examples of useful supporting information are listed in Figure 1.

As an alternative to providing copies of or references to local plans, zoning ordinances, and other documents, the local agency may provide a letter from the city responding to some or all of the questions listed in Figure 1 and describing how local land use policies, plans, ordinances, and other implementation tools and actions support the proposed Small Starts investment.

Figure 1. Assessment of Existing Land Use, Transit Supportive Land Use Policies, and Future Patterns: Guidance on Documentation and Information to be Submitted

²http://www.fta.dot.gov/grant_programs/transportation_planning/major_investment/18312_ENG_HTML.htm

Questions to be Addressed in Each Factor	Examples of Supporting Documentation
1. EXISTING LAND USE	
<p>Within the proposed Small Starts station areas (1/2 mile radius):</p> <ul style="list-style-type: none"> • What are typical types of existing uses and the extent of mixing of uses (e.g., different uses in the same building or on the same block)? • What is the typical style of development (e.g., building heights, setbacks, orientation to parking vs. street/sidewalk)? • To what extent are station areas pedestrian accessible (e.g., sidewalks present, network of direct routes, signalized or marked street crossings) and facilities ADA-compliant? • How is parking typically provided (surface vs. structured, free vs. paid, on-street vs. off-street)? Is information available on parking prices (cost/day) and/or parking ratios (spaces per employee)? • Are any major trip generators directly served by the project (e.g., professional sports arenas, colleges and universities, medical centers)? 	<ul style="list-style-type: none"> • Maps showing location and street layout of proposed station areas • Maps of existing land use • Aerial and ground-level photographs of station areas • Other existing documentation (for example, from an EIS, MIS, or station area planning study) illustrating and describing station area land use
2. TRANSIT SUPPORTIVE PLANS AND POLICIES	
2.B. TRANSIT SUPPORTIVE CORRIDOR POLICIES	
<ul style="list-style-type: none"> • What efforts have been undertaken to develop transit-supportive policies for the proposed Small Starts corridor (e.g., local comprehensive plans, subarea plans, economic development plans, transit station area planning activities)? • Which agencies are undertaking the planning process? What is the status of each process and expected timeframe? What are its intended products/outcomes? • How are the resulting plans and policies expected to promote transit-supportive development in the proposed Small Starts station areas? (E.g., increasing densities and mix of uses, improving pedestrian connectivity and accessibility, implementing infrastructure improvements, implementing parking policies) 	<ul style="list-style-type: none"> • Hard copies or Web links to available plan documents • Web sites of any corridor or station area planning efforts

Questions to be Addressed in Each Factor	Examples of Supporting Documentation
2. TRANSIT SUPPORTIVE PLANS AND POLICIES (cont'd)	
2.C. SUPPORTIVE ZONING REGULATIONS NEAR TRANSIT STATIONS	
<ul style="list-style-type: none"> • What are the approximate or typical densities, types of uses, and mix of uses allowed under existing zoning in the proposed Small Starts station areas? • Do existing zoning regulations include design requirements that support transit? (E.g., reduced minimum and/or maximum setbacks, façade requirements, and provisions for shared parking.) Is there a design review process? • What actions, if any, are underway to change zoning to better support transit? (e.g., establishing a Transit Overlay District, increasing densities, allowing multiple uses, reducing parking requirements, incorporating transit-friendly design principles, adopting a form-based code) • What is the proposed timeline for adoption of any changes to station area zoning? 	<ul style="list-style-type: none"> • Excerpts of relevant zoning ordinances (e.g., TOD overlay districts), or Web links to available zoning codes and maps
2.D. TOOLS TO IMPLEMENT LAND USE POLICIES	
<ul style="list-style-type: none"> • What outreach efforts have been conducted to government agencies, developers, and the public to change station area development practices to become more transit supportive? • What financial incentives are available for developers in station areas? (E.g., tax breaks, low-interest loans, reduced impact fees) To what extent are these incentives contingent upon meeting transit-supportive design criteria? • What other tools are available to promote transit-supportive development in station areas? (E.g., expedited development review, assistance with land assembly, Brownfields site cleanup, tax increment finance for infrastructure improvements, joint development programs) • Is there evidence that these tools have been successfully applied in practice? 	<ul style="list-style-type: none"> • Hard copies or Web links to descriptions of outreach efforts, development incentive programs, etc.

Questions to be Addressed in Each Factor	Examples of Supporting Documentation
3. PERFORMANCE AND IMPACTS OF LAND USE POLICIES	
3.A. PERFORMANCE OF LAND USE POLICIES	
<ul style="list-style-type: none"> • What examples exist of recent or proposed transit-supportive development in the Small Starts station areas? • What examples exist of recent or proposed transit-supportive development in other areas of the region served by transit (e.g., New Starts station areas, existing rail stations, or bus corridors), and especially within the local jurisdiction served by the Small Starts project? 	<ul style="list-style-type: none"> • Conceptual drawings, master plans, site plans, photographs, and/or Web sites of referenced projects • Details of referenced projects (e.g., approximate square footage by type of use, acreage, number of residential units, density, parking requirements) • News articles describing projects
3.B. POTENTIAL IMPACT OF PROJECT ON LAND USE	
<ul style="list-style-type: none"> • To what extent is land in proposed station areas available for development or redevelopment? • To what extent can additional development take place within existing structures (e.g., redevelopment, intensification of uses)? • To what extent has a market been demonstrated for the type of transit-supportive development anticipated or planned to occur on the Small Starts corridor? • To what extent are local and regional economic conditions and trends likely to support future development? 	<ul style="list-style-type: none"> • Market studies assessing the potential for economic development in the Small Starts corridor • Data on regional and/or corridor economic trends and conditions (e.g., 20-year growth forecasts; current vacancy rates, absorption rates, and market rents in the corridor)

TEMPLATE 11

Supplemental Land Use Information and Supporting Documentation

Respond to Each Question

1. EXISTING LAND USE

Within the proposed Small Starts station areas (1/2 mile radius):

- What are typical types of existing uses and the extent of mixing of uses (e.g., different uses in the same building or on the same block)?

- What is the typical style of development (e.g., building heights, setbacks, orientation to parking vs. street/sidewalk)?

- To what extent are station areas pedestrian accessible (e.g., sidewalks present, network of direct routes, signalized or marked street crossings) and facilities ADA-compliant?

- How is parking typically provided (surface vs. structured, free vs. paid, on-street vs. off-street)? Is information available on parking prices (cost/day) and/or parking ratios (spaces per employee)?

- Are any major trip generators directly served by the project (e.g., professional sports arenas, colleges and universities, medical centers)?

2. TRANSIT SUPPORTIVE PLANS AND POLICIES (cont'd)

2.C. SUPPORTIVE ZONING REGULATIONS NEAR TRANSIT STATIONS

- What are the approximate or typical densities, types of uses, and mix of uses allowed under existing zoning in the proposed Small Starts station areas?

- Do existing zoning regulations include design requirements that support transit? (E.g., reduced minimum and/or maximum setbacks, façade requirements, and provisions for shared parking.) Is there a design review process?

- What actions, if any, are underway to change zoning to better support transit? (e.g., establishing a Transit Overlay District, increasing densities, allowing multiple uses, reducing parking requirements, incorporating transit-friendly design principles, adopting a form-based code)

- What is the proposed timeline for adoption of any changes to station area zoning?

2. TRANSIT SUPPORTIVE PLANS AND POLICIES (cont'd)

2.D. TOOLS TO IMPLEMENT LAND USE POLICIES

- What outreach efforts have been conducted to government agencies, developers, and the public to change station area development practices to become more transit supportive?

- What financial incentives are available for developers in station areas? (E.g., tax breaks, low-interest loans, reduced impact fees) To what extent are these incentives contingent upon meeting transit-supportive design criteria?

- What other tools are available to promote transit-supportive development in station areas? (E.g., expedited development review, assistance with land assembly, Brownfields site cleanup, tax increment finance for infrastructure improvements, joint development programs)

- Is there evidence that these tools have been successfully applied in practice?

TEMPLATE 12

QUANTITATIVE LAND USE INFORMATION WORKSHEET

Project sponsors should adhere to the following guidelines when completing this template:

1. Please indicate the specific year for reporting opening year estimates.
2. Please report the density of population and employees *per mile* (not per acre).
3. The opening year reported on Template 12 should match the year reported on Template 1 (Project Description).

Data	Opening Year 20 __
Metropolitan Area	
Total Population	
Total Employment	
Central Business District ³	
Total Employment	
All Station Areas (1/2 mile radius)	
Total Population	
Total Employment	
Land Area (indicate sq. mi.)	
Population Density (persons per sq. mi.)	
Employment Density (persons per sq. mi.)	

³ If the project does not serve a regional CBD, employment for the largest activity center(s) served by the Small Start project may be reported.