

Memorandum



Public Works

DATE: February 26, 2009

TO: Mayor & Council

FROM: Jyme Sue McLaren, Deputy Public Works Manager – Light Rail (350-8803)

THRU: Glenn Kephart, Public Works Manager (350-8205)

SUBJECT: **Tempe South Corridor Study – IRS 3/5/09**

Introduction

Tempe and Chandler are working with METRO, in coordination with the Federal Transit Administration, on a 24-month study to analyze potential high capacity transit improvements for the Tempe South Corridor. Staff will provide Mayor and Council with an update on the analysis completed to date for this study area and seek input to the recommended alternatives being advanced for further consideration.

Concurrently, staff is developing a list of projects eligible for the newly signed American Recovery and Reinvestment Act of 2009 (Economic Stimulus). The City of Tempe has an opportunity to advance one aspect of the Tempe South Corridor study, the bus rapid transit (BRT) improvements on Rural Road. Staff would like to brief Mayor and Council on the process for acceleration and anticipated potential financial obligations necessary to advance this project.

Project Summary

The Tempe South Corridor study is evaluating a range of high capacity transit technologies, including bus rapid transit, commuter rail, light rail transit and modern streetcar, as well as potential north-south alignments (e.g., Mill Avenue/Kyrene Road, Rural Road and McClintock Drive). The Tempe South Corridor Study (see **Attachment A, Project Fact Sheet**) is funded by the Proposition 400 half-cent transportation sales tax extension approved by Maricopa County voters in 2004 and is contained in the Regional Transportation Plan (RTP).

The Tempe South Corridor study is a two tiered evaluation approach. Tier 1 is a qualitative evaluation that analyzes the advantages and disadvantages of each transit technology and alignment alternative in relation to the project's goals. The most feasible alternatives are then carried forward and infeasible alignments and technologies are eliminated. The Tier 2 analysis provides detailed information on capital and operating costs, ridership potential, destinations served, right-of-way and environmental impacts, traffic analysis and economic development potential.

The Tier 2 analysis has been completed and the results were shared with the public in December 2008. Based upon the analysis, the two highest performing options are the Mill Avenue Modern Streetcar and Rural Road Bus Rapid Transit (BRT). After further technical analysis and additional public feedback, a recommendation for a locally preferred alternative will be advanced to Council for final consideration in spring 2009.

Economic Stimulus Funding

As a result of the execution of the Economic Stimulus bill, staff has been working with regional organizations (MAG, RPTA and METRO) to assemble a list of projects that meet the requirements of the Economic Stimulus. Unlike most federal funds, Economic Stimulus funding

will be 100% federal dollars. Only those projects that can quickly obligate funds and obtain an environmental clearance within 12 months are eligible for economic stimulus funding.

Staff believes that the Rural Road BRT in the Tempe South Corridor study is a strong candidate for Economic Stimulus funding and can be implemented within the required timeframe. However, in order to accelerate the project, a number of challenges and opportunities should be discussed, as follows:

Challenges

- The BRT corridor is programmed in the RTP for operation in FY 2014. Because the project will be accelerated two years, additional operating funds will need to be secured for the two year period (FY 2012 and FY 2013) until regional funds become available (FY 2014). Staff estimates the gap in operating costs to be approximately \$1.12 million per year.
- Due to the recent decline in sales tax revenue to the region, transit projects will likely be pushed out in the RTP, creating a greater gap in operating revenues, and potentially a greater financial burden to the City of Tempe. Staff estimates that projects could be pushed out two years, depending on the decline in resources, leaving a potential operating gap of 4 years.
- The necessary fleet to operate the system is programmed for FY 2013, requiring acceleration of the fleet purchase by two to four years, depending on future sales tax revenues. Staff estimates a maximum cost of approximately \$5.4 million to purchase Tempe's portion of the fleet. This one-time expenditure could be reimbursed by Prop 400 when funds are programmed.
- Implementation of the BRT option includes transforming the existing curb lane between Baseline and University Drive into a shared bus/right turn lane. This option has been shared at public meetings and to date has not generated controversy; however, the potential for some public resistance surrounding this issue exists.
- Advancing this project is somewhat dependant on the cooperation of the City of Chandler, which would also have to advance similar costs for the portion of this BRT route in their community. Staff has discussed this opportunity with Chandler staff and they are exploring their interest in moving this project forward.

Opportunities

- The BRT corridor would be implemented two years earlier, delivering a high level of improvement in transit service in the Rural Road corridor. This would provide a significant improvement in service connecting the South Tempe area with LRT and activity centers in the downtown Tempe and ASU area.
- The existing decline in sales tax creates a challenge to fully fund the RTP, placing projects in the outer years at risk of full funding. Advancing the BRT project now, with new federal stimulus funds, reduces the risk of project delay due to limited resources at both the federal and local level.

Because the process to select eligible projects for Economic Stimulus funding is moving more quickly than the Tempe South Corridor Study process, staff is seeking early direction from Mayor and Council on advancing the Rural Road BRT option prior to completion of the Tempe South Corridor Study and selection of a locally preferred alternative. It should be noted that advancing the BRT project would not preclude the continuation of programming RTP funds to the Mill Avenue Modern Streetcar option.

Staff will be seeking Council direction on advancing the Rural Road BRT project for Economic Stimulus funding.