

MEMORANDUM

Date: Friday, June 23, 2023

To: Shelby Powell, (CAMPO) Deputy Director

From: Thomas Wittmann & Jimi Mitchell (Nelson\Nygaard)

Subject: Potential Funding Feasibility & Eligibility

Introduction

The proposed implementation of rapid bus service within the Wake BRT Southern and Western Corridor Extensions is beyond the 2035 planning horizon. Accordingly, the programming of local funding for the advanced design and construction of locally preferred alternative (LPA) recommendations will require supplemental funding appropriations from other state and federal sources.

The purpose of this memorandum is to identify strategic approaches to maintaining viability of future rapid bus projects through local program development decision between now and opportunities for supplemental funding eligibility.

State of North Carolina

Rapid Bus LPAs would be extensions of the planned Western Corridor BRT and Southern Corridor BRT, corridors identified in the Capital Area Metropolitan Planning Organization's (CAMPO) *2045 Metropolitan Transportation Plan (MTP)* and the *2020 – 2029 Transportation Improvement Program (TIP)* as project TO-6166, to establish bus rapid transit service from Morrisville to Clayton.

- The Western extension from Morrisville to Cary is designated as the A section of the project.
- the Southern extension from Garner to Clayton is designated as the D section of the project.

In the 2024-2033 STIP, neither of these sections of the project are funded for right-of-way or construction. Throughout FY 2024, CAMPO and regional MPOs will undergo the local TIP planning process of updating priorities and funding appropriations for inclusion in the STIP. The Capital Area MPO intends to use the results of this study to submit these projects to compete for funding in future versions of the STIP. Section B (Cary to Raleigh) and Section C

(Raleigh to Garner) of TO-6166 continue to move toward project delivery through the GoRaleigh Wake Transit Bus Rapid Transit program.

Rapid Bus stakeholder agencies should coordinate to identify appropriate next steps in advanced planning and project development through updated STIP planning horizon, agency roles and responsibilities, as well as potential agency and professional service costs and available funding.

Federal Transit Administration (FTA)

The FTA offers multiple possible sources of funding for BRT and BRT-lite project development and implementation, including several new programs created and funded by the Infrastructure Investment and Jobs Act (November 2021). One of the more popular programs continued under the bill is the FTA Capital Investment Grants (CIG).

As with other FTA grants, the program application outlines a detailed process to evaluate potential projects for federal funding purposes. The CIG evaluation process focuses on Project Justification and Local Financial Commitment, with a series of quantitative measures leading to a score for each. A high level comparison of the attributes of the Western and Southern Extension was made to the FTA Scoring Criteria to help assess the probability of capturing CIG dollars for either corridor.

Do Extensions Meet FTA CIG Definition of Bus Rapid Transit?

The CIG process outlines two specific definitions of Bus Rapid Transit projects that can qualify for funding.

Fixed Guideway BRT requires that over 50 percent of route must be in a form of dedicated transitway. While **Corridor-Based BRT** projects do not have a minimum transitway requirement, they must represent “a substantial investment in a defined corridor...” by incorporating the same, consistent set of BRT components. The common components of both categories of BRT projects include the following:

- Defined and accessible stations
- Transit priority treatments at intersections
- Bi-directional, 14-hour span on weekdays and 10 hours on weekends. In addition, buses must come often, with a maximum of ten-minute headways during peaks or 15-minute headways all day long.
- A separate brand for all stations and vehicles

The Wake County Rapid Bus Extension Study identified a Western and a Southern Extension that build upon the “core” Wake Bus Rapid Transit (BRT) service. While location-specific transit priority treatments were assumed in both the Western and Southern Extensions, neither LPA included more than 50 percent of its length in a dedicated right of way. In

addition, projected demand is currently insufficient to support the 10 to 15 minute service frequency required.

The analysis of alternatives within Southern and Western extensions included a comparative forecast of the potential incremental ridership and capital costs of providing a seamless, 1-seat ride BRT service throughout the core and extension. However, the Wake BRT Southern and Western Corridors are proceeding through the FTA CIG application review process and the preliminary benefits of 1-seat ride service were not found to warrant modification of the ongoing CIG program applications for core BRT projects.

Do Extensions Meet CIG Project Justification Criteria?

Project Justification criteria include six different elements, including Mobility Improvements, Environmental Benefits, Congestion Relief, Cost-Effectiveness, Economic Development, and Land Use. The Wake County Rapid Bus Study did not do an in-depth assessment of all of these criteria. The general land uses, demography, population and employment densities, planned transit services along the Southern and Western Extensions within the Triangle Region travel demand model for the 2045 horizon year of this study are lower than desirable for competitiveness under the standard evaluation criteria and rating process.

However, the guidance also allows for the use of project justification warrants that use existing data to see if a potential project’s attributes can achieve an FTA “Medium” rating. Warrants are pre-qualifications allowed as long as the anticipated CIG match is 50 percent or less and the total project capital cost is less than the specific ceilings shown below.

Total Proposed Small Starts Project Capital Cost	Existing Weekday Transit Trips in the Corridor	Mobility Rating Automatically Assigned	Cost Effectiveness Rating Automatically Assigned	Congestion Relief Rating Automatically Assigned
\$0 to < \$50 million	And 3,000 or more	Medium	Medium	Medium
\$50 to < \$100 million	And 6,000 or more	Medium	Medium	Medium
\$100 million to < \$175 million	And 9,000 or more	Medium	Medium	Medium
\$175 to < \$250 million	And 12,000 or more	Medium	Medium	Medium

Source: January 2023 FTA Capital Investment Grants (CIG) Policy Guidelines

Neither the Western nor the Southern Extension meet the existing weekday transit trips in the corridor threshold of 3,000 riders, meaning that the warrant process is not an option.

Given anticipated ridership numbers and planning level capital and operating costs, it is unlikely that either corridor would score well on the Mobility Improvements, Congestion Relief, or Cost Effectiveness metrics. Without a “Medium” or better rating on these, it is unlikely that either corridor would qualify for CIG funding.

Do Corridors Meet CIG Local Financial Commitment Criteria?

Local Financial Commitment criteria includes three components, including Current Condition, Commitment of Funds, and Financial Capacity and Reasonableness of Assumptions.

The Wake County Rapid Bus Study did not complete a full financial analysis for any of these three components. However, an impetus for the study was the potential of up to \$100 million in state dollars for cross-county high-capacity transit. In addition, Wake County has a dedicated funding source to fund transit improvements and supports both capital and operations through Wake transit fare revenues.

Given the possibility of state funding and dedicated local funding, it is possible that either one of the Extension projects could achieve a competitive CIG rating in one or more of these categories.

What Other Federal Funding Sources May Be Available?

The Bipartisan Infrastructure Law, as enacted in the Infrastructure Investment and Jobs Act, authorizes up to \$108 billion for public transportation (including \$91 billion in guaranteed funding) – the largest federal investment in public transportation in the nation’s history. The legislation reauthorizes surface transportation programs for FY 2022-2026 and provides advance appropriations for certain programs.

Several FTA capital construction programs may be eligible under the key priorities of the legislation:

- **All Stations Accessibility Program** (\$1.75 B allocation) to improve transit service for communities that have historically had more limited access to transit and provide substantial upgrades to station accessibility.

Applicability: Opportunity for funding of rapid bus and pedestrian access improvements at proposed CRT stations within extensions. (dependent upon the future of commuter rail in the region)

- **Buses / Bus Facilities Program** (\$376 M) Makes funding available to states, designated recipients, and local governmental entities that operate fixed-route bus service to replace, rehabilitate, and purchase buses and related equipment and to construct bus-related facilities. Includes the **Low or No Vehicle Emissions Competitive Program** (\$5.3 B allocation) to replace thousands of transit vehicles, including buses and ferries, with cleaner, greener vehicles.

Applicability: Opportunity to fund purchase of Low or No emission vehicles for revenue service in proposed rapid bus extensions service areas, as well as upgrades to supporting maintenance and storage facilities (MSF).

- While the infrastructure bill typically does not fund the project development phases of rapid bus extensions, there is a **Pilot Program for Transit-Oriented Development Planning** (\$68 M), which provides funding for transit-oriented development planning associated with a transit project for which the project sponsor will seek funding through the CIG Program.

Applicability: Opportunity for additional TOD planning policy development within proposed rapid bus extensions to increase CIG competitiveness.

The Bipartisan Infrastructure Bill also includes the Federal Highway Association (FHWA) **Carbon Reduction Program (CRP)** which provides funds for projects designed to reduce transportation emissions, defined as carbon dioxide (CO₂) emissions from on-road highway sources.

Applicability: Eligibility under the United States Code 23 U.S.C. 175(c)(1), §11403, allows use of CRP funds for public transit projects (eligible under 23 U.S.C. 142) and several components of the rapid bus extensions, as they align with State of North Carolina requirements and transportation policy.

The program also allows transfer of up to 50% of CRP funds made available each fiscal year to any other apportionment of the State; OR transfer of up to 50% of annual apportionment of any other State program to CRP. (such as Surface Transportation Block Grant Program, Highway Safety Improvement Program, Congestion Mitigation and Air Quality Improvement (CMAQ) Program, National Highway Freight Program, etc...)

Conclusion

It is unlikely that either corridor will meet FTA CIG Small Starts funding eligibility for Fixed Guideway or Corridor-Based BRT categories under the current guidelines. When evaluated for independent utility the extensions insufficient to achieve a competitive rating in multiple evaluation categories due to the following factors:

- Neither would implement the necessary 50% dedicated right of way to qualify as a Fixed Guideway BRT
- Operating plans proposed for the rapid bus service in the extensions would not meet the minimum FTA CIG minimum requirements (Southern Ext – 30/60 min; Western Ext – 20/40 min)
- There are less than 3000 existing transit riders within either Extension; Nor does the projected average daily ridership represent the level of demand typical of CIG competitive BRT corridors (less than Wake BRT Western and Southern Corridor “Core” ridership)

Since neither extension meets the current warrants criteria for simplified evaluation and would not likely increase the competitiveness of planned Wake BRT Southern and Western Corridors, the extensions are not recommended for application to FTA CIG Small Starts program at this time.

With the exception of FTA's Pilot Program for Transit-Oriented Development Planning, federal grant opportunities for rapid bus advanced planning activities are limited. Stakeholder agencies may pursue state and local planning grant opportunities to advance conceptual development of LPA recommendations to points where determination of eligibility for competitive funding grants for detailed design and construction. Programs of the Bipartisan Infrastructure Bill listed above may be viable to fund specific components of rapid bus projects.

If the anticipated development in the extensions is done in a way that is transit-supportive through density and walkability, the probability of FTA CIG funding could increase. Stakeholder agencies should advocate on behalf of expanded eligibility for FTA Small Starts eligibility under the CIG program at future FTA Notices of Proposed Rule Making (NPRM). Should rapid bus service prove ineligible for FTA CIG program funding for project development and construction, the Project Sponsor may elect to seek capital funding for strategic implementation of specific rapid bus components, based on grant eligibility requirements.