

CITY OF MIAMI, FLORIDA
INTER-OFFICE MEMORANDUM

TO : Pedro G. Hernandez, P.E.
City Manager

DATE : October 26, 2006

FILE :

SUBJECT : Miami Roads Neighborhood Civic
Association and Miami
Streetcar

FROM : Mary H. Conway, P.E.
Chief of Operations

REFERENCES :

ENCLOSURES :

The purpose of this memorandum is to address the issues raised in the "The Roads Neighborhood News," October 2006, Special Edition, Number 62, published by the Miami Roads Neighborhood Civic Association, and which contains statements regarding the proposed Miami Streetcar project. The City's response is provided below:

1. **Current working capital cost estimate is \$200 million in 2006 dollars.**
2. **Current working operating cost estimate is \$8 million annually in 2006 dollars.**
3. **Sources of funds to be used to fund capital costs include:**
 - Florida Department of Transportation (FDOT) grants for up to 50% of total capital costs.
 - Community Redevelopment Area (CRA) bond proceeds for those portions of the project located in CRA districts.
 - A portion of the City's annual allocation of the People's Transportation Plan (PTP) revenues derived from the Miami Dade County transit half-cent surtax required to be spent on transit projects.
 - FDOT's State Infrastructure Bank (SIB), low interest loan.
4. **Sources of funds to be used to fund annual operating costs include:**
 - Farebox revenues.
 - Advertising revenues derived from advertising at station locations and on and in the Streetcar vehicles (to be displayed in an aesthetically pleasing and appropriate style)
 - A portion of the City's annual allocation of PTP revenues (Miami Dade County transit half-cent surtax).
 - State (FDOT) and federal grants for rail/transit operating assistance.
 - City general funds.

Notes on selected funding sources:

The source of the FDOT grants for up to 50% of capital costs is through the 2005 State Growth Management Legislation (Senate Bill 360). These grants are allocated to specific projects by FDOT, and cannot not be used for any other purpose. The Streetcar was selected for funding from a statewide pool of competing projects.

Use of a portion of the City's annual allocation of PTP revenues is within the minimum 20% of the City's total PTP allocation that must be used for transit improvements.

Notes on a Public-Private-Partnership (PPP):

The City intends to seek approval from the City Commission to initiate a Public Private Partnership (PPP) procurement. Through this PPP approach to project delivery, it is intended that the Streetcar project will be built and operated by a private sector partner, a Concessionaire. This approach will allow for private financing (rather than all public sector funding) of a portion of the Streetcar's total capital costs, and allow the City to defer all or a portion of its funding contribution until after the system is successfully built and operational. Likewise, the bidding process will be structured to limit, or cap, the City's GR exposure on an annual basis.

- 5. *The current working cost per rider is estimated at \$3.15. The cost per rider is derived from annual operating costs and annual ridership estimates.***

In comparison, the cost per rider for other streetcar systems in the United States in Fiscal Year 2004 is as follows:

- New Orleans = \$1.96
- Tampa = \$3.13
- Memphis = \$3.64
- Tacoma = \$2.96

Miami Dade Transit cost per rider for FY '04:

- MetroBus = \$3.05
- MetroRail = \$3.93
- MetroMover = \$2.40

Source of FY04 statistics: National Transit Database, FY 04.

Excerpt from the National Transit Database website <http://www.ntdprogram.com/ntdprogram/> is as follows:

“What is the NTD Program?

The National Transit Database (NTD) is the Federal Transit Administration's (FTA's) primary national database for statistics on the transit industry. Recipients of FTA Urbanized Area Formula Program (§ 5307) and Nonurbanized Area Formula Program (§ 5311) are required by statute to submit data to the NTD. Over 650 transit agencies and authorities file annual reports to FTA through the internet-based reporting system. Each year, NTD performance data are used to apportion over \$4 billion of FTA funds to transit agencies in urbanized areas (UZAs). Annual NTD reports are submitted to Congress summarizing transit service and safety data.

The NTD is the system through which FTA collects uniform data needed by the Secretary of Transportation to administer department programs. The data consist of selected financial and operating data that describe public transportation characteristics. . . .”

- 6. *Ridership forecast indicates that the Miami streetcar system could have a daily patronage between 6,200 and 10,200 in year 2010 (opening year) depending on the fare structure of the system.***

Under a fare-free structure potential daily ridership is forecast at 10,200; under a fare structure of \$1.00, potential daily ridership is estimated at 8,100 passengers, and 6,200 daily passengers at a fare of \$2.00. It also shows that the system has the potential to attract 16,800 daily riders by the year 2030 under a fare-free policy.

The detailed technical memoranda documenting the methodology and results associated with the ridership forecast may be viewed on the project's website, under the tab entitled, "Technical Reports":

<http://www.miamigov.com/MiamiStreetcar>