

SUMMARY OF CONCEPT

3C Corridor Joint Powers Authority

November 2010

Q&A issues regarding a 3C Corridor Joint Powers Authority (3CJPA) comprised of local governments

What is the legal basis for a 3CJPA?

- Under federal law and guidance from the Federal Railroad Administration (FRA), states, compacts of states, state-chartered high-speed rail agencies or Amtrak can use the \$400 million which ODOT received for the 3C Corridor.
- Under state law, Ohio's local governments and/or transit agencies may form inter-local agreements or create multi-county authorities to undertake regional, intrastate or even interstate transportation projects and services. While Ohio transit agencies are county-based special governments, all of the larger transit agencies in the 3C Corridor are chartered by the state.
- As a precedent, the Capitol Corridor Joint Powers Authority in California is comprised of transit agencies between the Bay Area and Sacramento which formed by each agency approving a memorandum of understanding. The managing/administrative agency is Bay Area Rapid Transit considering its expertise with rail transit. Under guidance from the FRA, the CCJPA has submitted High Speed Intercity Passenger Rail funding applications -- in competition with requests submitted by CalTrans.
- Another JPA precedent is the Northern Lights Express, between Minneapolis and Duluth, Minnesota. It is comprised of municipalities, counties and a rail transportation authority. Although it is too new to have developed an operating rail passenger service, it has received a \$1 million Federal Rail Administration grant to conduct a Tier I engineering/environmental assessment. Originally, it was prepared to proceed without the support of Gov. Pawlenty's department of transportation. But the local support soon brought the administration on board.
- Legal counsel from each party (FRA, 3C local governments, etc) will need to review, trouble-shoot and suggest legal solutions to any other outstanding issues that need attention before two or more transit agencies and/or local governments might participate and before a 3CJPA can be formed.

Why seek leadership from local governments, transit agencies?

- Greater Cleveland RTA, like BART, has the most technical expertise in 3C with rail transportation projects, however public and political support for 3C may be strongest in Greater Dayton.
- FRA funding would not need the concurrence of the State Controlling Board (let alone a super-majority of it as required for a state-led 3C project) before it is spent by a transit agency or local government. Instead, FRA funds would be issued directly to the local Metropolitan Planning Organization and then to a local government or transit agency to take a leadership role in managing and administering the funds.

- Local governments and especially transit agencies have experience in administering federally funded transportation projects.
- The largest, most advanced 3C station-area development project is at the proposed 3C station site in Riverside, located in Greater Dayton RTA's service area.

How might a 3CJPA be financially sustained?

- An RTA-led JPA would award the operating franchise to a private consortium. This consortium could be comprised of any combination of the following: the existing 3C consulting team members, a railcar manufacturer, a nationally prominent real estate developer, Amtrak, the host railroads and possibly others.
- The consortium would tap many of the same funding resources ODOT offered to sustain 3C operations, such as advertising, station leases, on-board services (Wi-Fi, food/beverage, etc), sponsorships and more.
- The Riverside station-area development may be sufficiently large to sustain, by itself, the operating costs of the initial 3C "Quick Start" service through value-capture activities. The station-area development is across the street from Ohio's largest single-site employer, the growing Wright-Patterson Air Force Base, and the world's largest aviation museum, the National Museum of the U.S. Air Force.
- However, additional station-area developments, as they advance, throughout the corridor will allow for the expansion and improvement of the 3C passenger rail service, including more frequent trains, higher speeds and expanded stations.

What will the roles be of other 3CJPA transit agencies?

- Since the other 3C transit agencies do not yet have in their service areas a station-area development as large or advanced as the one in Riverside to provide operating resources to 3C, their potential involvement may be limited during the early stages. This is no different than the secondary roles of all but one (BART) of the transit agencies involved in the Capitol Corridor JPA.
- Initially, the roles of other transit agencies may be limited to coordinating certain transit routes/services, providing through-ticketing fare packages, plus mobile/on-board service data sharing for train/station crews and passengers.
- Expansion and improvement of 3C train frequencies/speeds could be enabled by the franchise initiating additional station-area developments, including in the downtowns of Dayton, Cincinnati, Cleveland and Columbus. These could provide ongoing operating funds as well as local contributions to leveraging federal planning and capital grants and loans. Expanding the roles of all transit agencies will be pursued as additional station-area developments move forward.

What are the next steps?

- Much needs to be done in a short period of time, but this can be simplified by initiating a dialogue with the FRA to allow two or more local governments and/or transit agencies to take over from ODOT as administrator of the FRA \$14.9 million grant to conduct and complete 3C preliminary engineering, assuming the 3C contracts with the FRA and Parsons Brinckerhoff are canceled by ODOT.

- City councils, county commissions, plus boards of trustees at one or more transit agencies and their metropolitan planning organizations will need to approve resolutions in support of a local government or transit agency taking over as 3C project sponsor and to accept the role of the managing/administrative agency in a 3CJPA.
- ODOT had anticipated taking more than a year to complete the preliminary engineering before asking the State Controlling Board for permission to proceed with construction. 3CJPA participants should be given the same amount of time to complete the preliminary engineering, assemble a more broadly based 3CJPA and to name a franchise to operate 3C. In all likelihood, the 3CJPA/Franchise development can be accomplished before the preliminary engineering is completed. And it can have a greater likelihood of moving forward considering that approval by the State Controlling Board is no longer needed (much less a supermajority vote of approval) before construction may begin.

###