

Summary Report from
Roundtable on Passenger Rail and Transit Oriented Development
September 11, 2018 3-5 PM
Miami, Florida



The Build America Transportation Investment Center (BATIC) Institute: an AASHTO Center for Excellence hosted a Roundtable on Passenger Rail Oriented Development on September 11, 2018, in conjunction with the Council on Rail Transportation meeting being held in Miami, Florida. This roundtable was a forum for state DOTs and other stakeholders to exchange ideas and best practices, and identify common challenges and opportunities in delivering and facilitating development adjacent to transit, commuter, and passenger rail facilities.

Financing Passenger Rail and Rail Oriented Development

Rusty Roberts, VP of Corporate Development, Brightline

Most of the roundtable participants had attended a tour of the Brightline passenger rail facilities that morning. Mr. Roberts provided additional detail on the history of Florida East Coast Railway and the context for the Brightline's development. Historically, real estate development in Florida was driven by railroad access. Florida East Coast Railway's founder Henry Flagler was a pioneer in this space. The Brightline aims to merge transportation, hospitality, and rail oriented development in the style of Flagler. Mr. Roberts noted that many of the same factors that ultimately led to the demise of train travel are now driving its resurgence. Intercity passenger rail is growing faster than any other mode. The company believes the model of the Brightline's development can be replicated elsewhere, and that intercity passenger service between city-pairs that are too long to drive and too short to fly can be profitable.

Brightline's current capital budget is \$3.5 billion budget, including \$1.6 billion of equity that has facilitated early work. They are developing their new residential properties around Miami Central Station as rental units to drive foot traffic, due to the unique characteristics of Miami's condo market. The company also owns approximately 8 acres around the Fort Lauderdale and West Palm Beach stations. At the Orlando multimodal station, Brightline will be a lease paying tenant in a facility that joins SunRail commuter rail, light rail, the airport people mover, and Brightline's intercity passenger service.

Discussion with roundtable attendees touched on the many different definitions of "higher speed" rail in both the federal code and the public understanding, the opportunities presented by code sharing with airlines as Amtrak has done, and whether the Brightline has a mandate to provide affordable housing in its developments (it does not).

Amtrak Station Development

Rina Cutler, Senior Director, Major Station Planning & Development, Amtrak

Ms. Cutler described her activities leading Amtrak's efforts to execute a number of customer improvements and economic development opportunities at its major stations in New York, Philadelphia, Baltimore, Washington, D.C. and Chicago. Amtrak's station redevelopments were born out of a desire to

monetize non-rail assets and focus on the customer experience. The major stations in Amtrak's portfolio offer a variety of challenges for redevelopment, including organizational and logistical challenges, strong public opinion, and state of good repair backlogs. The common development approach seeks to improve stations and their surrounding areas to maximize the experience for all users. But the strategies can differ with respect to station planning, the real estate market, ownership of key assets, political support, the required public and private partnerships, and the design features. Ms. Cutler then briefly summarized the development status of the five major historic stations and identified the keys to success: clear project champion and P3 authority, good project governance framework, detailed business plan, optimal risk allocation, stakeholder engagement to build trust within the community, picking the right development partner, and a long-term focus including funding for operations and maintenance.

TOD Sketch Planning

Kathrin Tellez, Principal, Fehr and Peers, Transportation Consulting

Ms. Tellez provided an overview and demonstration of the Station Management Toolbox developed for Caltrain, which provides Bay Area commuter rail service to about 65,000 daily riders in a corridor stretching from San Francisco to Santa Clara County that includes 19 cities and 32 stations. The purpose of the toolbox is to provide a decision-making tool and technical analysis to help assess potential outcomes and tradeoffs associated with access improvements and TOD at stations. It allows the staff to test the effects of certain key variables (general service levels and fares, station area development, and access facilities and services) on ridership, mode of access/egress, revenue, and equity and environmental factors at both individual stations and system-wide. It is a planning tool that can help address key questions about a station access / TOD project: What can be developed on Caltrain property (corridor use policy)? How should Caltrain develop the available property (TOD policy)? Why should Caltrain pursue a project (station management outcomes and tradeoffs)? Research was done to ascertain the actual TOD potential around Caltrain's individual stations and the percentage of passengers using various modes, including TNCs, for first and last mile transport. Discussion by the group included how to measure ride-hailing trends and determine their effect on Caltrain ridership and mode of access. Ms. Tellez then provided a live demonstration of use of the user interface and the flexibility of the tool for evaluating complex scenarios.

Available Funding and Financing Tools

Danielle Rinsler, Deputy Director, Office of Outreach and Project Development, USDOT Build America Bureau

Ms. Rinsler provided a brief overview of Bureau and other USDOT products relevant to passenger rail and transit oriented development (TOD) projects. The TIFIA credit program can finance up to 33% of the cost of public infrastructure within walking distance of a passenger rail station, intermodal facility, or bus station under the TOD eligibility enhanced by the FAST Act. She noted that this could be an airport terminal provided it is within walking distance of a transportation facility. The FAST Act also expanded RRIF's ability to fund TOD. Promoting economic development and improving railroad stations and passenger facilities and increasing TOD are program priorities. Eligible projects can include commercial and residential development (and related infrastructure and activities) that are physically or functionally

related to a passenger rail or multimodal station that includes rail service. Selection criteria emphasize that projects must have a high probability of reducing future need for long-term assistance from USDOT, must have private participation, and must have a meaningful connection to the transportation service. This expanded TOD eligibility for RRIF assistance sunsets in December 2019.

Ms. Rinsler's overview presentation also mentioned other programs, including: Private activity bonds, which are another financing tool, but limited to Title 23 surface transportation projects or those on which Title 23 funds have been used (like Brightline); the Build program (formerly TIGER), which provides discretionary grants to a large array of surface transportation projects; the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant program managed by FRA; and the Federal-State Partnership for State of Good Repair grant program, also managed by FRA.

Roundtable Participants

NAME	ORGANIZATION
Anna Bosin	AASHTO
Glenn Page	AASHTO
Shayne Gill	AASHTO
Eric Forbes	AIPRO
Byron Comati	Amtrak
Rina Culter	Amtrak
Rusty Roberts	Brightline
Danielle Rinsler	Build America Bureau
Leo Wetula	Build America Bureau
Camille Tsao	CDM Smith
Sharon Terranova	Colorado Department of Transportation
Robert Card	Connecticut Department of Transportation
Steve Strauss	DC Department of Transportation
Bruce Horowitz	ESH Consult
Adam Denton	Federal Railroad Administration
Randy Brown	Federal Railroad Administration
Stephen O'Connor	Federal Railroad Administration
Trevor Gibson	Federal Railroad Administration
Kathrin Tellez	Fehr & Peers
Ana Quero	Florida Department of Transportation
Chet Welch	Georgia Department of Transportation
Dominic Spaethling	HNTB
Hal Lindsey	Jacobs
Bryan Grote	Mercator Advisors
Catherine Reddick	Mercator Advisors
Alison Boswell	North Carolina Department of Transportation
Donnie Maley	Northwest Corridor Commission
Tom Messer	RL Banks and Associates
Peter Richter	STV Inc.
Camille Sumners	Transportation Research Board
Velvet Basemera-Fitzpatrick	Transportation Research Board
Eric Peterson	Transportation Research Board/ American Public Transportation Association