

# Memphis Innovation Corridor Project

## Memphis, Tennessee

### Small Starts Project Development (Rating Assigned November 2021)

***The rating reflected in this profile was based on the information provided by the project sponsor in the fall of 2021. Subsequent to the completion of FTA's evaluation, the sponsor increased the total capital cost to \$100.7 Million and Capital Investment Grants (CIG) program share request to \$65.5 Million. Those changes cannot be reflected in the project profile until FTA receives a complete revised submission from the sponsor so the rating can be updated accordingly.***

Summary Description	
<b>Proposed Project:</b>	Bus Rapid Transit 8.0 Miles, 16 Stations
<b>Total Capital Cost (\$YOE):</b>	\$73.34 Million <small>(Includes \$1.7 million in finance charges)</small>
<b>Section 5309 CIG Share (\$YOE):</b>	\$46.04 Million (62.8%)
<b>Annual Operating Cost (opening year 2026):</b>	\$1.96 Million
<b>Current Year Ridership Forecast (2019):</b>	5,600 Daily Linked Trips 1,730,700 Annual Linked Trips
<b>Overall Project Rating:</b>	Medium
<b>Project Justification Rating:</b>	Medium
<b>Local Financial Commitment Rating:</b>	Medium

***Project Description:*** The Memphis Area Transit Authority (MATA) proposes to implement a bus rapid transit (BRT) line connecting downtown, the Memphis Medical District, and the University of Memphis. The project includes one mile of exclusive bus lanes, off vehicle fare collection, transit signal priority, and streetscape and pedestrian improvements. The service is planned to operate on weekdays from 5 AM to 11 PM, with buses every 10 minutes during morning and afternoon peak periods, and every 15 minutes during off-peak hours. Weekend service is planned to operate every 30 minutes from 6 AM to 10 PM on Saturdays, and from 7 AM to 9 PM on Sundays.

***Project Purpose:*** The project is intended to link major activity centers from downtown to the University of Memphis and provide convenient and reliable access to jobs, education, health services, and civic centers. The project is needed to accommodate the growing population and employment in the corridor, improve system connectivity, safety, and performance for all riders, and ensure access for those with disabilities. Additionally, the project is intended to improve travel time and reliability for existing and new transit riders along the corridor, reduce congestion, and utilize innovative technologies.

***Project Development History, Status and Next Steps:*** MATA selected a Locally Preferred Alternative in April 2016, and it was adopted into the fiscally constrained long-range plan in May 2017. The project entered Small Starts Project Development in April 2020. MATA completed the environmental review process and received a Documented Categorical Exclusion from FTA in February 2021. MATA anticipates receipt of a construction grant agreement in late 2022, and the start of revenue service in 2026.

## Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
<b>Federal:</b>		
Section 5309 CIG	\$46.04	62.8%
FHWA Flexible Funds (Surface Transportation Block Grant funds)	\$6.80	9.2%
<b>State:</b>		
Tennessee DOT Improve Act Grant	\$7.50	10.2%
<b>Local:</b>		
City General Obligation Bond Proceeds	\$12.52	17.1%
City General Fund Revenue	\$0.48	0.7%
<b>Total:</b>	<b>\$73.34</b>	<b>100%</b>

**NOTE:** The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

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***LAND USE RATING: Medium-Low***

The land use rating reflects population density within one-half mile of proposed stations, employment served by the line, and the share of legally binding affordability restricted (LBAR) housing in the station areas compared to the share in the surrounding county.

- The station areas have an average population density of 4,433 persons per square mile, which corresponds to a Medium-Low rating by FTA benchmarks. Employees served by the proposed route total 63,700, corresponding to a Medium-Low rating. The ratio of station area to county LBAR housing is 1.95, corresponding to a Medium rating.
- The corridor consists primarily of commercial, university, medical, and housing land uses. While many trip generators exist along the corridor, the development pattern is typically low-density suburban sprawl, with single-family homes and some denser multi-family housing.
- The corridor has connected sidewalks. Some portions of the corridor are organized as a walkable street grid.

***ECONOMIC DEVELOPMENT RATING: Medium***

**Transit-Supportive Plans and Policies: Medium**

- *Transit-Supportive Corridor Policies:* Plans and policies generally recommend transit-supportive densities and growth in the eight westernmost station areas and two easternmost station areas. In the central six station areas, plans and policies generally recommend maintaining single-family residential densities. Development of a transit-oriented development (TOD) plan for the corridor is underway.
- *Supportive Zoning Near Transit Stations:* Zoning allows for station area densities corresponding to a “High” rating by FTA benchmarks in the western half of the corridor. The remainder of the corridor, particularly the central portion, has significant areas of lower density residential zoning designations with densities rating between “Low” and “Medium” by FTA benchmarks.
- *Tools to Implement Land Use Policies:* Advisory groups conduct outreach to government agencies and the community in support of TOD. Financial development incentives include a Payment-in-Lieu-of-Taxes (PILOT) Incentive, Tax Increment Financing, Inner City Economic Development Loans, Opportunity Zones and Tourism Development Zones.

**Performance and Impacts of Policies: Medium**

- *Performance of Land Use Policies:* A list of 67 examples of recent transit-oriented developments and 51 station area development proposals was provided. These examples include dense housing and redevelopment, as well as additional hotel, commercial, and office space.
- *Potential Impact of Transit Investment on Regional Land Use:* There are approximately 313 acres of underdeveloped land readily available for development in the station areas. Memphis has experienced strong housing growth and is expected to experience strong job growth, but the corridor is expected to grow at a slower pace than the metropolitan area.

**Tools to Maintain or Increase Share of Affordable Housing: Medium**

- The submittal identifies the supply of LBAR housing in the corridor but does not articulate the corridor-specific need for LBAR housing. Plans are generally supportive of maintaining or increasing the share of LBAR housing, but do not specifically address the corridor.
- Memphis’ affordable housing tools and incentives include land trusts, low-income housing credits, Residential PILOTs, community land trusts, low-income home improvement grants, and a community development corporation with affordable housing goals. There are six projects in the Innovation Corridor that have been awarded PILOTs in exchange for providing affordable housing units.

