

University Corridor Bus Rapid Transit Project
Houston, Texas
New Starts Project Development
(Rating Assigned November 2022)

Summary Description	
Proposed Project:	Bus Rapid Transit 25.3 Miles, 41 Stations
Total Capital Cost (\$YOE):	\$1,565.7 Million <small>(includes \$6.0 Million in finance charges)</small>
Section 5309 CIG Share (\$YOE):	\$939.39 Million (60.0%)
Annual Operating Cost (opening year 2030):	\$35.22 Million
Current Year Ridership Forecast (2019):	15,000 Daily Linked Trips 4,471,900 Annual Linked Trips
Horizon Year Ridership Forecast (2040):	19,400 Daily Linked Trips 5,760,800 Annual Linked Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Metropolitan Transit Authority of Harris County (METRO) is planning this Bus Rapid Transit corridor running from Westchase Park-and-Ride to Tidwell Transit Center in Houston almost entirely on exclusive bus lanes. The project includes level boarding, off-board fare collection, 47 battery-electric 60-foot buses, transit signal priority, and a new bus operating facility. The service is planned to operate seven days a week for about 20 hours per day with buses every six minutes during morning peak periods, midday, and evening peak periods, and buses every 12 minutes during early mornings, late evenings, and on weekends.

Project Purpose: The project is intended to bring high-capacity, high-frequency BRT service to Houston’s residents. Three-quarters of the communities along the project corridor are historically disadvantaged areas with persistent poverty and environmental risks. The project is intended to transform these communities by giving residents better access to education, jobs, and essential services. Three universities and three community colleges are within a half-mile of proposed stations, and a fourth university is reachable via the project’s connection to the Red Line light rail. The proposed project alignment is planned to provide a much-needed east-west connection to METRO’s other transit services, connect the city together, increase systemwide ridership and catalyze economic opportunities across the region.

Project Development History, Status and Next Steps: The project entered Project Development in September 2021. METRO selected a locally preferred alternative in September 2022, which was adopted into the region’s fiscally constrained long-range plan in November 2022. METRO anticipates completion of the environmental review process by May 2023, receipt of a Full Funding Grant Agreement by November 2024, and opening for revenue service in October 2030.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal: Section 5309 CIG	\$939.39	60.0%
Local: Metropolitan Transit Authority of Harris County Bonds	\$626.26	40.0%
Total:	\$1,565.65	100.0%

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.

**Texas, Houston, University Corridor Bus Rapid Transit Project
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 CIG Share	N/A	<ul style="list-style-type: none"> The CIG share of the overall project is 60.0 percent.
Summary Financial Plan Rating	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	Medium-High	<ul style="list-style-type: none"> The average age of the bus fleet is 7.8 years, which is in line with the industry average. The most recent bond ratings for METRO, issued in 2021, are as follows: Moody's Investors Service Aa2, Standard & Poor's Corporation AAA, and Kroll Bond Rating Agency AAA. METRO's current ratio of assets to liabilities as reported in its most recent audited financial statement is 1.7 (FY2021). There was a minor service cutback prior to the COVID 19 Pandemic. There were no service cutbacks prior to the COVID 19 Pandemic. There were no cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> All of the non-Section 5309 CIG capital funds are considered budgeted. The only non-Section 5309 source of capital funds is Metropolitan Transit Authority of Harris County Bonds. All the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted. Sources of funds include Section 5307 Urban Area Formula Grants, farebox revenues, METRO sales tax revenues, vanpool revenues, METRO-operated high occupancy toll lane revenues, miscellaneous fees, and interest.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity (50% of local financial commitment rating)	Medium-Low	<ul style="list-style-type: none"> Assumed growth in capital revenues is reasonable compared to recent historical experience. The capital cost estimate is reasonable. Growth in operating revenue assumptions, farebox collections and sales tax revenues are optimistic compared to recent historical experience. Operating cost estimates are optimistic compared to recent historical experience. METRO has access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to at least 40.0 percent of the estimated CIG capital cost and 25.9 percent of annual system wide operating expenses (3.1 months).

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LAND USE RATING: Medium

The land use rating reflects population density within one-half mile of the 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 population density in the proposed station areas is 7,900 persons per square mile, which corresponds to a Medium rating according to FTA benchmarks. Total employment served is 160,700, corresponding to a Medium-High rating. The ratio of station area to county proportion of LBAR housing units is 1.43, rating Medium-Low.
- Development in most of the corridor is auto-oriented. The western end of the corridor includes employment centers as well as single-family and multi-family residential development, mainly in low-rise buildings but in some locations in mid- to high-rise buildings. The central part of the corridor closest to downtown is the most walkable area and has moderately high residential densities. East of downtown, densities are relatively low, with auto-oriented strip development along major streets, primarily single-family neighborhoods, and more areas of industrial and vacant land. The corridor includes several universities and medical institutions. Sidewalks and marked pedestrian crossings are found along most arterial and collector streets, but are missing on some streets in industrial and residential neighborhoods.

ECONOMIC DEVELOPMENT RATING: Medium-Low

Transit-Supportive Plans and Policies: Medium-Low

- *Growth Management:* The Houston region does not have any coordinated growth management plans or agreements, and the City of Houston lacks standard tools such as comprehensive planning and zoning regulations for implementing growth visions. Various local and regional plans identify general growth goals as well as strategies for land conservation with a focus on climate resilience.
- *Transit-Supportive Corridor Policies:* The City of Houston does not have a comprehensive land use plan. Vision plans or action plans have been developed for some, but not all, neighborhoods in the corridor. Five “livable center” plans and an implementation framework for the Third Ward represent the most transit-focused planning efforts. The planning documents are not specific in their guidance for land use and density and are advisory. The City has undertaken some initiatives to improve walkability; community, district, and institutional master plans also provide recommendations to improve pedestrian connectivity and safety.
- *Supportive Zoning Regulations Near Transit Stations:* The City of Houston does not have a zoning code and does not regulate land use or density, although it does establish minimum setback and parking requirements, and private deed restrictions regulate development in some areas. The city’s Transit-Oriented Development (TOD) Ordinance allows streets near existing or proposed fixed-guideway transit to be designated for the application of voluntary or mandatory standards including reduced setbacks, reduced parking, and some pedestrian design requirements. Streets in the University Corridor will be designated after station locations are finalized.
- *Tools to Implement Land Use Policies:* The Metropolitan Transit Authority of Harris County (METRO) has partnered with the City of Houston and other local agencies and developers to encourage TOD on and around its properties, and is currently conducting a TOD study of the University Corridor to identify catalyst investments. Several regulatory and financial incentives could be used to promote transit-supportive development, mainly Tax Increment Reinvestment Zones (TIRZ) and management districts to finance infrastructure.

Performance and Impacts of Policies: Medium

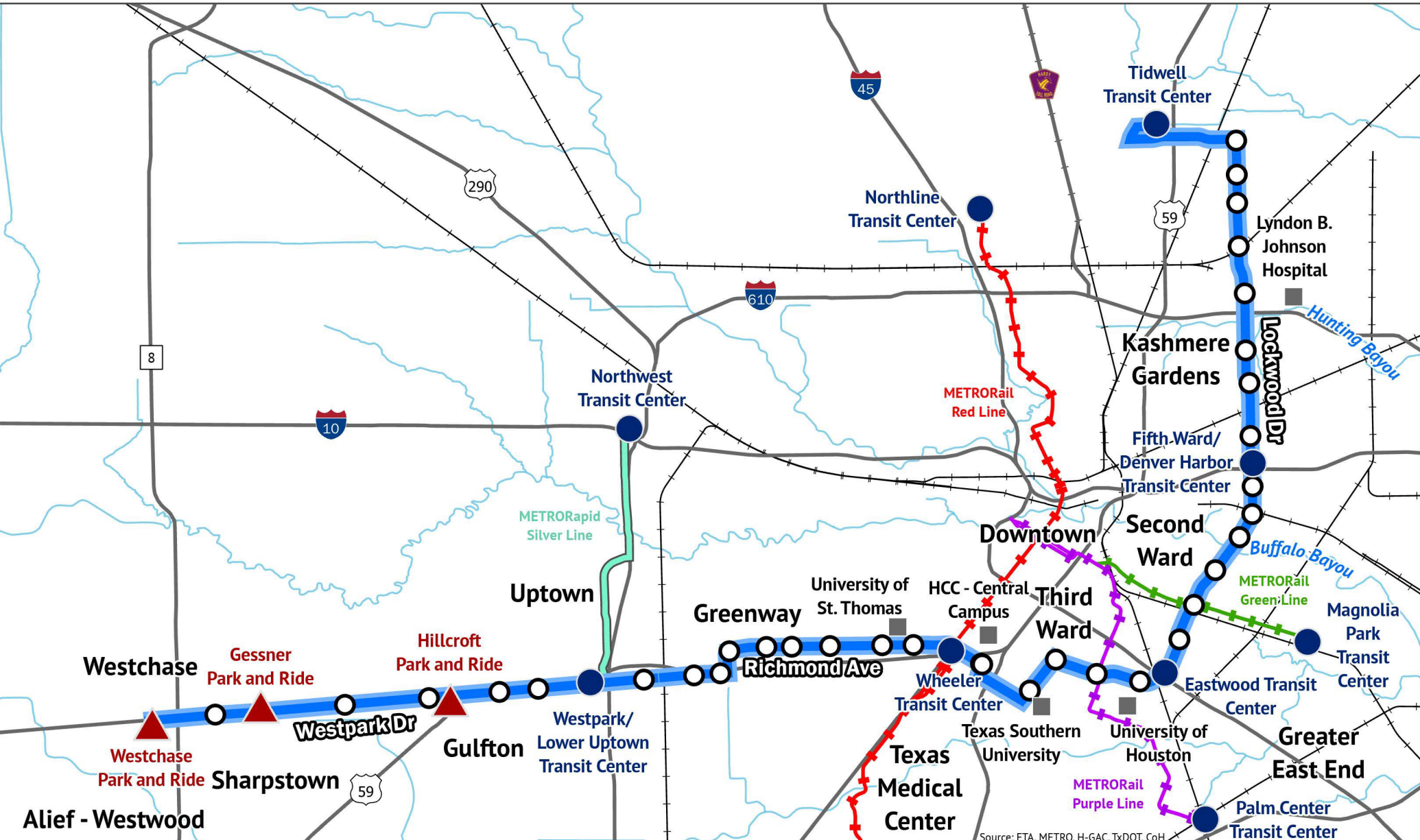
- *Performance of Land Use Policies:* Several projects have been proposed or are under construction in the project station areas, ranging from two-story to high-rise buildings. Some appear to have pedestrian-oriented design features but for other projects, it is not clearly indicated how the development relates to the street. Since the TOD Ordinance was adopted, about one-quarter to one-

half of new non-single family residence projects built in the University Corridor and other transit corridors have complied with these standards.

- *Potential Impact of Transit Investment on Regional Land Use:* METRO has identified several sites with TOD potential but has not conducted a broader study of station area development potential. Growth in the corridor is expected to match high regional population growth rates and somewhat lag behind regional employment growth, with the highest population and employment growth in the western parts of the corridor.

Tools to Maintain or Increase Share of Affordable Housing: Medium-Low

- Harris County and City of Houston plans set goals for the construction and rehabilitation of affordable housing units and identify some strategies including land trusts, Community Development Corporations, and TIRZ revenues. Funding opportunities in the form of bonds, loans, tax credits, and disaster relief funds are available at the state level. At least seven planned developments with about 500 units are identified within the proposed station areas with some affordable housing, although it is not clear how many meet FTA's affordability threshold of 60 percent of area median income.



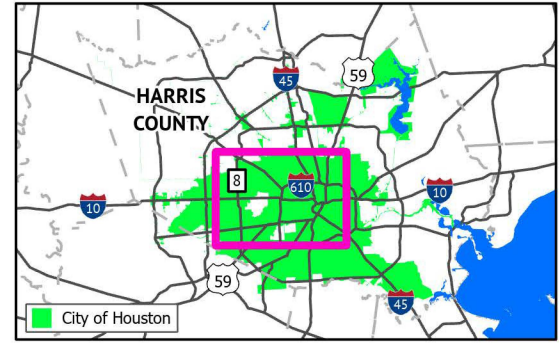
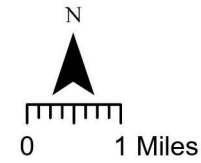
Source: FTA, METRO, H-GAC, TxDOT, CoH

**METRORapid University Corridor
Houston, Texas**

Representative Alignment,
Destinations, and Activity Centers

May 2022

- ▲ Park & Rides
- Transit Centers
- Proposed Stations
- Destinations
- Proposed Alignment
- METRORapid - Silver Line
- + METRORail - Green Line
- + METRORail - Purple Line
- + METRORail - Red Line
- Roads
- Railroads
- Major Waterways



Note: This map will be updated when METRO selects a site the proposed new bus operating facility.