

VIA Advanced Rapid Transit East/West Corridor Project
San Antonio, Texas
Small Starts Project Development
Information Prepared November 2023

Summary Description	
Proposed Project:	Bus Rapid Transit 7.3 Miles, 18 Stations
Total Capital Cost (\$YOE):	\$289.17 Million
Section 5309 CIG Share (\$YOE):	\$142.85 Million (49.4%)
Annual Operating Cost (opening year 2029):	\$11.64 Million
Current Year Ridership Forecast (2023):	6,400 Daily Linked Trips 2,121,400 Annual Linked Trips
Horizon Year Ridership Forecast (2045):	11,400 Daily Linked Trips 3,751,300 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium-High

Project Description: VIA Metropolitan Transit (VIA) proposes to implement a bus rapid transit (BRT) line extending from General McMullen Drive in the west, through downtown San Antonio, to Coca Cola Place in the east, that is planned to operate in 70 percent dedicated transit lanes and 30 percent mixed traffic. The Project includes construction of branded stations with off-board fare collection, next bus messaging, public announcement systems, bike parking, and safety features such as security cameras and lighting. The Project also includes the procurement of 13 new low or no emission vehicles with level boarding and implementation of transit signal priority. Service is planned to operate every 10 minutes on weekdays, every 30 minutes on weekday evenings and every 15 minutes on weekends.

Project Purpose: The Project connects several key destinations for employment and regional activities including the Alamo, Henry B. Gonzalez Convention Center, the Rivercenter Mall, CHRISTUS Children’s Hospital, the Riverwalk, University of Texas San Antonio Downtown Campus, Our Lady of the Lake University, Freeman Coliseum, AT&T Center, the Alamodome, and the Downtown along with numerous residential neighborhoods and commercial development areas. The project serves a corridor with a higher proportion of low-income and zero car households, elderly persons, people with disabilities and minority groups as compared to the County as a whole. The Project is intended to provide highly reliable, frequent, and direct transit service to communities along the corridor and to reduce congestion, improve air quality, and support the region's land use vision and growth plans.

Project Development History, Status and Next Steps: VIA selected the locally preferred alternative in October 2018 and adopted it into the region’s fiscally constrained long-range transportation plan in September 2020. The project entered Small Starts Project Development in October 2022. VIA anticipates completion of the environmental review process in March 2025,

receipt of a Small Starts Grant Agreement in December 2026, and the start of revenue service in August 2029.

Locally Proposed Financial Plan		
<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 CIG	\$142.85	49.4%
Surface Transportation Block Grant (STBG) Funds	\$3.84	1.3%
Local:		
Local Partnership Funds	\$100.50	34.8%
VIA Project Funds (Board approved)	\$31.98	11.0%
City of San Antonio Project Development Funds	\$10.00	3.5%
Total:	\$289.17	100.0%

**Texas, San Antonio, Advanced Rapid Transit East/West Corridor Project
(Rating Assigned November 2023)**

Factor	Rating	Comments
Local Financial Commitment Rating	Medium-High	
Non-Section 5309 CIG Share	+1	<ul style="list-style-type: none"> The CIG share of the overall project is 49.4 percent.
Summary Financial Plan Rating	Medium	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> The average age of the bus fleet is 4.2 years, which is younger than industry average. The most recent bond rating for the VIA Metropolitan Authority (VIA), issued in May 2023, is as follows: Standard & Poor's Corporation AAA. VIA's current ratio of assets to liabilities as reported in its most recent audited financial statement is 8.2 (FY2022). There have been no service cutbacks in recent years There have been no cash flow shortfalls in recent years.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	Medium	<ul style="list-style-type: none"> Approximately 31 percent of the non-Section 5309 CIG capital funds are committed or budgeted, and the rest are considered planned. Sources of funds include a Federal Highway Administration's Surface Transportation Block Grant (STBG), construction funds Keep San Antonio Moving (KSAM) Reserve Funds, one-time capital funds from the City of San Antonio (COSA) appropriation, and funds from unspecified local sources. All of the funds needed to operate and maintain the transit system in the first year of operation are committed or budgeted Sources of funds include Federal Transit Administration (FTA) 5307 Formula funds, farebox revenue, both existing Advanced Transportation District (ATD I) and future (ATD II) sales tax revenue, parking lot revenue, media advertising on buses and bus stops, leasing revenue, and annual designated system-wide transit funds from the City of San Antonio.
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 optimistic for FTA's Section 5307 Urbanized formula funds, the Build America Bureau TIFIA loan, and MTA Contractual Obligation Bonds based on recent historical experience. FTA's Section 5339 Bus funds, FTA Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities funds, Congestion Mitigation and Air Quality Improvement (CMAQ), KSAM ATD II Sales Tax

		<p>Revenue, Metropolitan Transit Authority (MTA) Sales Tax, and Volkswagen Settlement Fund capital funding assumptions are reasonable based on recent historical experience.</p> <ul style="list-style-type: none">• The capital cost estimate is reasonable• Assumed growth in operating revenues is optimistic compared to recent historical experience for farebox revenue. The assumed growth in operating revenue assumptions for forecasted ATD I and ATD Sales Tax Revenue, along with the anticipated local funds provided by the City of San Antonio, is reasonable compared to recent historical experience. Assumed growth from FTA Section 5307 funding and advertising, parking and leasing revenue is conservative compared to recent historical experience.• Operating cost estimates are reasonable compared to recent historical experience.• VIA Metropolitan Transit has access to funds via additional debt capacity, cash reserves, or other committed funds to cover unexpected cost increases or funding shortfalls equal to 119% of the estimated CIG capital cost and 63.8 percent (7.7 months) of annual system-wide operating expenses.
--	--	---

VIA Advanced Rapid Transit East/West Corridor Project
San Antonio, Texas
Small Starts Project Development
(Rating Assigned November 2023)

LAND USE RATING: Medium

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.

- Average population density within one-half mile of all station areas is 6,900 persons per square mile, corresponding to a Medium rating. An estimated 63,000 jobs would be served by the project, corresponding to a Medium-Low rating. Average daily parking fees in the central business district are \$10, corresponding to a Medium rating. The ratio of station area to county LBAR housing is 2.89, corresponding to a High rating.

ECONOMIC DEVELOPMENT RATING: Medium

Transit-Supportive Plans and Policies: Medium

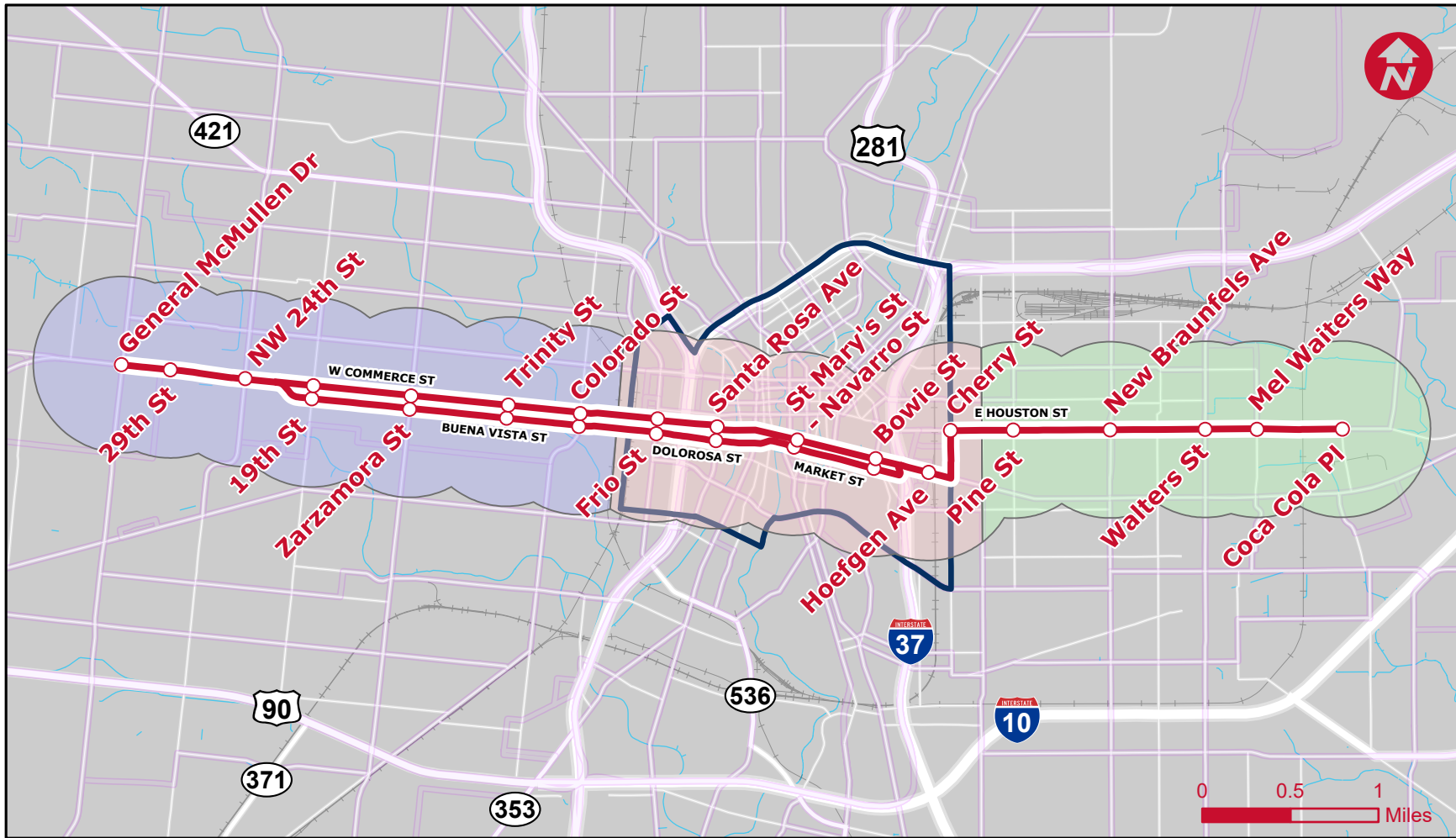
- *Transit-Supportive Corridor Policies:* Plans support increased, transit-supportive development along the project corridor. The *SA Tomorrow Comprehensive Plan (2016)* aims to improve transportation connectivity and housing policies that support affordable and higher-density development. The *SA Corridors Strategic Plan (2018)* outlines a framework to implement land use strategies and recommendations to create transit-oriented development (TOD) in station areas.
- *Supportive Zoning Near Transit Stations:* Several districts encourage denser development, including the infill development zone, mixed-use district, and two TOD districts. Permitted densities in the TOD Special District range from eight to 80 dwelling units per acre. San Antonio is updating the zoning code to create three districts within one-quarter mile of all station areas to increase density, encourage a mix of uses, and regulate the character and design of station areas.
- *Tools to Implement Land Use Policies:* San Antonio engages the public and development community during the comprehensive planning process, zoning code updates, and TOD policy development. Regulatory and financial incentives include: tax increment financing (TIF) districts; city-funded grants and low-cost loans; density bonuses; a transfer of development rights program; waiver of development review processing fees; and land banking.

Performance and Impacts of Policies: Medium-Low

- *Performance of Land Use Policies:* A former policy initiative, Decade of Downtown, resulted in public and private sector investment in downtown San Antonio and generated roughly 4,000 dwelling units since 2012. The use of TIF district financing has resulted in mixed-use and infill development and pedestrian improvements. A variety of multi-family and mixed-used developments are planned in the corridor and located within TIF or special zoning districts encouraging transit-supportive development patterns.
- *Potential Impact of Transit Investment on Regional Land Use:* The *SA Corridors Strategic Framework Plan* incentivizes residential infill and mixed-use development along transit corridors by adjusting density maximums and parking minimums. Approximately 76 acres of vacant land or surface parking lots in station areas are planned for future mixed-use developments.

Tools to Maintain or Increase Share of Affordable Housing: Medium

- San Antonio is experiencing long-term population growth, but new housing is priced above what low- and moderate-income households can afford. Financial and regulatory incentives for affordable housing include: density bonuses for creation of affordable housing, requiring deed restrictions for low- and very-low-income dwelling units; full property tax exemptions when half a building's units are renter to households making up to 80 percent of the average median income (AMI); waiver of development and impact fees for projects that reserve units for low-and very-low income households; and zero percent interest/ no payment second loan to assist qualifying homebuyers. There is evidence of some recently completed and forthcoming mixed-income or affordable housing projects along the corridor that intend to provide 1,650 affordable housing units.



VIA ART E/W Corridor Project
Figure 1: Project Map
San Antonio, Texas

Sources: VIA (E/W proposed corridor, E/W stations, station segments, intersecting transit routes); TxDOT (city and county boundaries, roads, railroads); City of San Antonio (channels, central business district boundary)

LEGEND

- E/W Stations
- E/W Proposed Corridor
- Segments**
- Corridor Segment 1: West
- Corridor Segment 2: Downtown

- Corridor Segment 3: East
- Municipal Features**
- Waterbody
- City of San Antonio
- Bexar County

- Central Business District
- Transportation Network**
- Interstate
- US Highway
- State Highway

- Farm to Market Road
- Collector Road
- Railroad
- Intersecting Transit Route