

MAYOR'S TRANSITION TASK FORCE

on the

Metropolitan Transit
Authority

Report of the

Light Rail Punchlist Committee

3/13/10 Final Report

Committee Members

- Eric Boutte, Chair
- Christof Spieler
- Mark Cover
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- Jim Greenwood
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Methodology

- Document review, including METRO program summary, METRO Solutions plan, design-build contracts (facility provider, HRT design build, Parsons/CAF vehicle contract, Parsons/Veolia Maintenance and Operations), master schedule (12/09), METRO light rail budget (12/09), and design diagrams.
- Written questions to METRO
- Interviews with David Couch and John Sedlak, Metro
- Interviews with Daniel Menendez, City of Houston Public Works
- Interviews/written questions with key stakeholders: neighborhood leaders, U of H, St. Thomas Univ., Texas Southern Univ., Medical Center, Management Districts, commercial property owners, major employers

Current State Assessment: Key Findings

- Light rail plays an important role in Houston's future transit system.
- 3 of 5 new lines are early in construction; 2 are in design. The program is behind schedule and even the current schedule may be uncertain.
- Budget on 4 of 5 new lines is largely set in design-build contract but uncertainties remain.
- Major unresolved design issues could affect schedule and cost; high level attention may be required for resolution.
- Coordination between METRO and other agencies (City of Houston, TxDOT) is critical but has not always been smooth.
- Stakeholders are unsatisfied with METRO's communication and decision making process; some are losing patience.

Current State Assessment: Role of light rail

- The light rail system METRO is building is an urban system, serving trips inside and immediately outside Loop 610. It is intended to put major destinations inside the urban core within walking distance of stations.
- The light rail system is not intended to bring suburban commuters into the urban core; the park-and-ride bus system and proposed commuter rail lines are intended to do that. However, the light rail system can connect those commuter systems to additional destinations.
- The light rail system is also intended to serve as a high-capacity spine for the bus system, replacing bus lines with higher speed, more reliable, higher capacity service. Once light rail lines are completed, bus service will be restructured to feed into the light rail lines.

Current State Assessment: Role of light rail

The light rail lines will connect:

- Major concentrated employment centers
- Universities
- Relatively dense, walkable existing neighborhoods
- Corridors with high existing transit ridership
- Cultural institutions and special event venues
- Areas in the urban core with high development potential
- Bus service to other parts of the region
- Future light rail extensions and commuter rail lines

Current State Assessment: Role of light rail

The new lines will:

- Allow residents of urban neighborhoods the option of going about their daily life without a car, reducing transportation costs.
- Provide transit-dependent residents better access to jobs, health care, and education.
- Connect students to off-campus employment, housing, cultural activities, and entertainment.
- Connect suburban residents to secondary employment centers via transfer from the park-and-ride system and offer park-and-ride riders mobility during the day.
- Allow attendees to avoid congestion around special events like sports and festivals.

Current State Assessment: Role of light rail

The new lines will also:

- Support market demand for denser mixed-use development.
- Provide alternatives to driving as congestion increases and fuel prices rise.

Current State Assessment: Role of light rail

Compared to existing local bus service, light rail:

- Is faster
- Offers more reliable trip times
- Operates more frequently
- Is more accessible to the mobility-impaired
- Is less intimidating to infrequent riders
- Offers more station amenities
- Has higher capacity
- Has a more comfortable ride

Current State Assessment: Role of light rail

The Main Street line, which resembles the new lines, has been a success:

- More boardings per mile than any other modern U.S. light rail system (APTA figures, 2009)
- 41% of riders new to transit; 49% have car available (HGAC survey, 2007)
- 55% of trips are outside rush hours (METRO data, Jan 2010)
- 46% of passengers do not need to transfer to make their trip (HGAC)
- 63% of passengers started their trip on foot (HGAC)
- At least 50 major building projects along the line since construction started (CTC, July 2007)

American Public Transit Association (APTA)
Houston-Galveston Area Council (HGAC)
Citizens' Transportation Coalition (CTC)

Current State Assessment: Schedule

- Original 2003 referendum called for 4 new lines (North, East End, Southeast, University) by 2012. Uptown line was scheduled for after 2012.
- North and Southeast lines were delayed by federal funding process. METRO currently expects full federal funding commitment in May, completion in Nov 2013.
- The East End Line is locally funded but is dependent on tracks built as part of the federally funded Southeast Line to connect to Downtown and the Main Street Line. Ground was broken in 2008 but only utility relocation has been done.

Current State Assessment: Schedule (cont'd)

- The University Line is in FEIS phase of federal process, with multiple steps to full funding commitment, which is not guaranteed and dependent on congressional transportation reauthorization. METRO best case estimate for completion is 2014.
- The Uptown Line is locally funded and METRO expects completion in Nov 2013. However, it is linked to the system by the University Line and has low ridership and no maintenance facility without it. No property acquisition has been completed, which puts it behind the other lines slated for 2013 completion, which have 89%+ of acquisition complete.

Current State Assessment: Budget

- The budget for the program includes design-build contract, land acquisition, METRO program management, payments made to the previous design-build contractor, finance costs, and the University Line. METRO is not presenting all this information in one place.
- The METRO board has agreed to a contract revision that fixes 95% of design-build costs on 4 of 5 lines.
- Environmental mitigation, land acquisition, and collision avoidance costs are not fixed under the contract.
- Outstanding design issues may lead to increases over contract cost.
- The contract revision also changes incentives, eliminating penalties (liquidated damages) on the contractor for finishing behind schedule.

Current State Assessment: Unresolved design issues

- We identified 6 major unresolved design issues on the system, affecting all but the North Line.
- These issues have all been actively discussed for at least a year; attempts to resolve at a staff level seem bogged down.
- All of these issues could delay schedules or increase cost.
- 4 of 6 issues involve coordination with other governmental entities: City of Houston, Freight Rail District, University of Houston, TxDOT.
- The private stakeholders involved are frustrated with a perceived lack of input and an opaque decision-making process.

Current State Assessment: Coordination

- City of Houston Public Works approvals are required for most design work on all lines: public utilities, traffic lanes, intersections, sidewalks, stations.
- Design work continues under design-build contract and approvals are not complete on any of the lines.
- METRO predicts significant increase in submittals to the city in the next few months. PWE is concerned about staffing requirements for submittal review and construction inspection and budgets and notes that METRO's submittal schedule has been unpredictable.
- Both METRO and PWE have concerns about the level of communication over submittals and mismatched expectations of how the process would work. Recent attempts (i.e. high level "partnering" meeting) have been made to improve the situation but results are uncertain.

Current State Assessment: Stakeholder input

- Stakeholders generally agree that transit is important and many see significant benefits in the new lines, however many are dissatisfied with their relationship with METRO.
- METRO does a good job with the initial engagement of stakeholder's group, but the follow up and consistency in reporting accurate status and progress is critical to the perception of METRO.
- Significant stakeholders are upset with aspects of the current designs and do not feel their concerns will be resolved in the current process.
- METRO has not communicated the overall philosophy and purpose of the light rail system to the public.

Strategic choices: Desired outcomes

- An effective, neighborhood-friendly transit system.
- Increased transparency and public trust in the agency.
- Stakeholder satisfaction with process and outcomes.
- Completion on current schedule.
- No increase in costs.
- Resolution of major design issues.
- Improved coordination.

Strategic choices: Four options

- These four options are different approaches to managing the light rail program.
- We are not recommending an option.
- The options are arranged in order of magnitude: option 1 involves the least change to the current system, while option 4 involves the most.

Strategic choices: Option 1

- Keep current structure and practices in place.
- Ask METRO to resolve design issues.

Strategic choices:

Option 1 - Benefits/Risks

- Benefits:
 - Program continues with no disruption.
 - Little risk to federal funding.
- Risks:
 - Major issues remain unresolved.
 - Unhappy stakeholders may take legal/political action.
 - Political blowback could result when issues come to light.
 - Significant risk of delays.
 - Significant risk of cost overruns.

Strategic choices:

Option 2

- Keep current management in place.
- Improve stakeholder process: Community Advisory Board on every line with organized process for identifying and resolving issues; more responsive corridor offices.
- Create high-level interagency working group to resolve coordination and design issues, pausing detail design on critical areas if required.
- Increase transparency and share more detailed information with public.

Strategic choices:

Option 2 - Benefits/Risks

- Benefits:
 - Program continues with minimal disruption.
 - Little risk to federal funding.
 - Less schedule/budget risk.
 - Resolution of major design issues.
 - Less risk of political damage due to later exposure of issues.
- Risks:
 - Can the same management behave differently?
 - Staff time required for stakeholders, coordination, public information.
 - Critics may seize on disclosed information.

Strategic choices:

Option 3

- Replace executive level management.
- Improve stakeholder process: Community Advisory Board on every line with organized process for identifying and resolving issues; more responsive corridor offices.
- Create high-level interagency working group to resolve coordination and design issues, pausing detail design on critical areas if required.
- Increase transparency and share more detailed information with public.

Strategic choices:

Option 3 - Benefits/Risks

- Benefits:
 - New management with better track record.
 - Management has opportunity to restart relationships.
 - Less schedule/budget risk.
 - Resolution of major design issues.
 - Less risk of political damage due to later exposure of issues.
- Risks:
 - Possible delay to federal funding depending on federal perceptions / relationships.
 - Risk of disruption if key mid-level personnel leave.
 - Staff time required for stakeholders, coordination, public information.
 - Critics may seize on disclosed information.

Strategic choices:

Option 4

- Pause program and bring in outside firm to evaluate and recommend changes.

Strategic choices:

Option 4 - Benefits/Risks

- Benefits:
 - Opportunity to start again
- Risks:
 - Significant risk to federal funding
 - Likely delays and cost increases
 - Communities have been waiting for 6 years; do they want to wait longer?

Questions and Issues Outstanding

- Light rail relative to METRO's overall budget. (Being addressed by funding group.)
- Light rail's role in regional transit. METRO is studying light rail extension along US90A, interlined with Main Street Line for service to TMC. Commuter rail will be dependent on transfers to light rail for access to employment areas. (Being addressed by regional coordination group.)
- Affect of METRO funding capacity on the design build contract. (Requires more investigation)

Tactical Issues Requiring Action

- The METRO board can take more of a leadership role if they have required expertise (finances, large organizations, construction, transit) and relationships (neighborhoods/institutions/activity centers, other agencies) The board must get information from outside as well as inside the organization. It may be useful to supplement board subcommittees with non-Board members for added expertise.
- Consider METRO as part of overall transportation policy, including PWE, Planning, H-GAC, freight rail district. Coordinate light rail with other projects.
- Consider connectivity with regional transit (i.e. commuter rail) in light rail design.

Closing Considerations

- The design of light rail is as important as its location.
- The window to resolve design issues while keeping projects on schedule is small (2-4 months). The window to resolve management and stakeholder relations issues is shorter.
- Light rail is part of an overall system - we need to improve suburban transit as well, and we can't neglect the bus system. An organization the size of METRO should be able to manage all three.
- METRO is already planning the next set of lines. There's an opportunity to learn from what has happened and improve the process, especially with stakeholder relations.