

WALLY Commuter Rail

Status Report - September, 2011 - DRAFT

Work Completed to Date

Since early 2010, MDOT has completed approximately \$16M in improvements on the 26-mile stretch of track from Howell to Ann Arbor. Details of that work can be found in Appendix A. Some of that work exceeded the scope of the initial R.L. Banks plan and therefore raised the total cost of the project. In spite of that, remaining work is significantly less than the amount estimated by Banks – see “Capital and Operating Cost Update” below.

MDOT has also entered into a lease for railcars and locomotives. These costs were originally part of the Banks cost for operations – therefore the Banks estimate of operating costs, even adjusted for inflation, has been reduced by about \$2M (see “Operating Costs” next section).



Figure 1: Construction of new siding and storage track in Northfield Township



Figure 2: MDOT's recently leased locomotive showing MITrain colors. "MITrain" is intended as the unifying logo for all commuter rail service in the State.



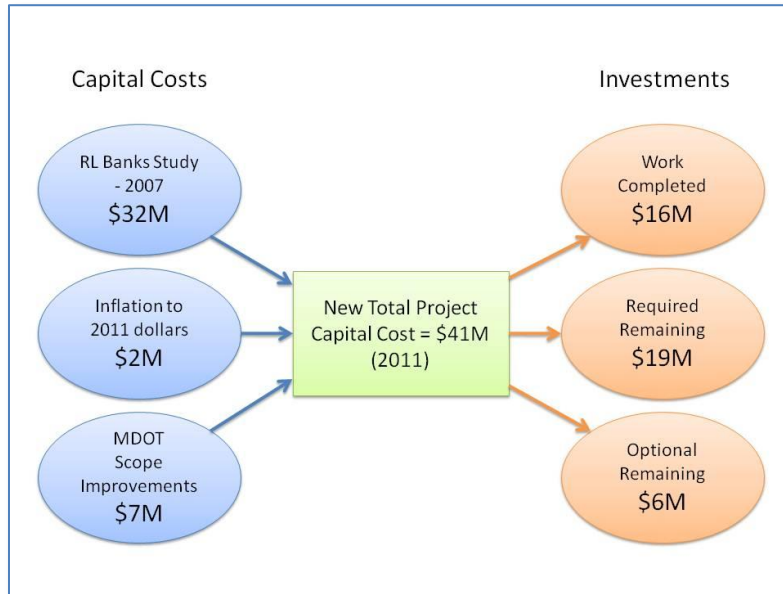
Figure 3: Rehabbed railcar with mobile lift for boarding people with disabilities.



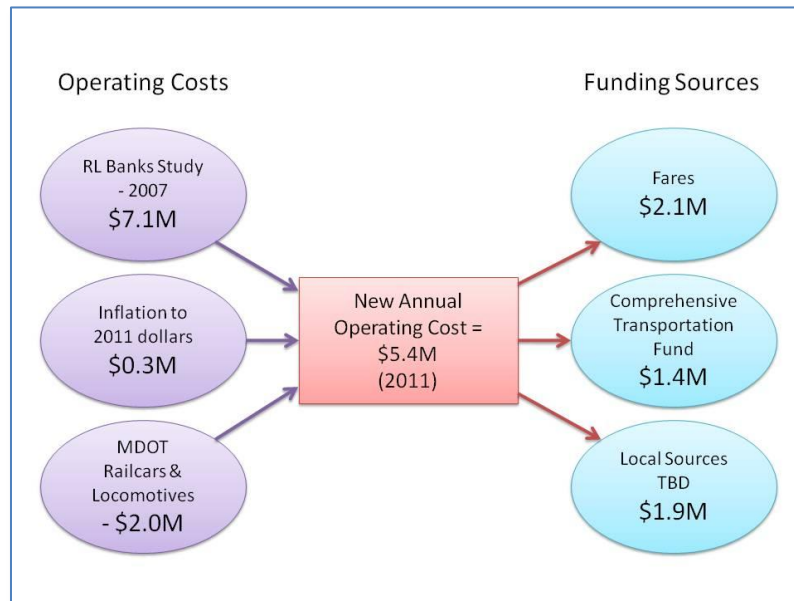
Figure 4: Grade crossing improvement in Howell, MI. About 2 dozen grade crossings were rehabbed in summer 2010

Capital and Operating Cost Update

The estimated capital costs for WALLY have been reduced significantly since the R.L. Banks estimates were produced in 2007. Inflation adjustments and added scope have added to the costs, but the completion of major track work and grade crossings have reduced the costs even more, as illustrated in the figure below. Details of the work completed and remaining work can be found in Appendix A.



The original Banks estimates included about \$2M for railcar and locomotive leasing. The figure below shows the original annual operating cost estimated by Banks, and then adjusts it to account for inflation and the fact that the rolling stock expense is no longer applicable.



Note: Operating costs reflect R.L. Banks' original assumptions regarding insurance and trackage rights fees, which could change significantly.

Staffing and Planning Costs to Date / Proposed FY2012 Budget

The following table summarizes the contributions made by non-AATA members of the Wally Coalition, and the uses to which those funds have been put. Contributions by others carried over into 2012, a Federal 5304 grant for \$48K and a \$12K AATA contribution, together are intended to pay for station design work during 2012. Remaining funds are proposed for staffing and work related to resolving Ann Arbor Railroad issues.

Fiscal Year	AATA Contributions		Contributions by Others				Purpose
	AATA Budget	Expense	Source	Amount	Expense	Carryover forwarded	
2008	\$50,000	\$16,500	SEMCOG, Great Lakes Central RR, UM	\$60,000			R. L. Banks Study \$(192,800) and Archeological Studies (\$1050) at Hamburg
			Ann Arbor DDA	\$20,000			
			City of ann Arbor	\$20,000			
			Washtenaw County	\$27,500			
			City of Howell	\$7,500			AATA Paid to Howell: \$15K - 4/13/2008 \$1500 - 9/30/2008
			Howell DDA	\$7,500			
			Hamburg Township	\$5,000			
			Livingston county	\$27,500			
			\$175,000	\$175,000	-0-		
2009	\$50,000	\$50,000	Washtenaw County	\$35,000			Staff time = \$60K
			Ann Arbor DDA	\$35,000			Public Education = \$40K (Rossman, Illium)
				\$70,000	\$50,000	\$20,000	
2010	\$50,000	\$36,253	Washtenaw County	\$50,000			Public Education = \$6K
			Ann Arbor DDA	\$50,000			Staff time = \$30K
			\$20K carried forward from 2009	\$20,000			
				\$120,000	\$0	\$120,000	
2011*	\$50,000	\$100	\$37K from Howell DDA	\$37,000			Staff time only - no outside expenses were incurred during 2011
			Federal 5304 Grant	\$48,000			
			\$120K carried forward from 2010	\$120,000			
				\$205,000	\$0	\$205,000	
Totals thru FY2011		\$102,853			\$225,000		
Proposed 2012 Budget	\$50,000		Carryover from 2011	\$205,000			Planned Expenses: Station Design - \$217K AARR Study - \$25K Staff time - \$13K
* For FY2011, the Board approved a \$50K budget, with half of it being contingent on receiving similar contributions by other stakeholders							

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Significant Outstanding Issues

There are several critical issues that the Wally project must address if it is to remain a viable project. These issues are summarized below:

- Access to Ann Arbor Railroad:** The Ann Arbor Railroad owns the last 1.75 miles of the 'ideal' route into the heart of downtown Ann Arbor and has reportedly declined to consider the possibility of passenger service on its property. As a result, planners have proposed an Ann Arbor station at the point where railroad ownership changes hands (Barton Drive). Although this location has merit in its own right as a station serving UM Hospital and North Campus, it continues to be desirable to bring service all the way into downtown Ann Arbor to serve the many destinations there, and perhaps further still to UM South Campus. Even the Barton Drive

station may need to encroach a few hundred feet upon AARR property, making AARR involvement almost essential.

- *Station Locations and Cost Estimates:* Cost estimates for Wally stations were last formulated by R. L. Banks in 2008 and were developed as conceptual estimates. New and better designs and cost estimates are needed to 1) move the project along toward fulfilling federal funding requirements and 2) give communities a better idea of how stations will fit into their local plans. The proposed FY 2012 budget contains funding to accomplish this work, most of which takes the form of contributions by organizations other than AATA.
- *NEPA and New Starts:* The federal “New Starts” program is a possible source of funds for Wally project development, but it is necessary to fulfill the requirements of the National Environmental Policy Act in order to qualify for funding. The station design work cited above is key to fulfilling those requirements. MDOT has pledged staff time to undertake the other NEPA related work. MDOT has also begun the process of creating the ‘Management Plans’ required by FTA in order to qualify for New Starts.
- *Community Support:* Community support as measured by public opinion surveys is quite high, and the support of local units of government varies. The City of Howell has been very enthusiastic and vocal with their support, including contributions of funding toward planning efforts. A private developer has, at his own expense, prepared site plans for a mixed use development including a train station at Eight-Mile Road. Hamburg, Genoa and Northfield Townships have expressed varying degrees of support but have not contributed funding since 2008. Washtenaw County and the Ann Arbor DDA continue to express support and have contributed funds for Wally planning. Livingston County has provided some quiet support through the Planning Department, but the Livingston County Board has not taken a position on the project.
- *Funding for Remaining Capital Improvements:* Some capital funding may continue to come from MDOT, possible in the form of funding for grade crossing signal upgrades, installation of sidings and related improvements. Such funding has in the past been ad hoc in nature. MDOT is also committed to the car rehabilitation and locomotive lease programs. The TIGER III grant program has been recently announced and is a potential source of capital funding. In the longer range, federal New Starts or Small Starts funding might be obtained.
- *Funding for Operations:* MDOT has taken the position that funding for operations beyond a possible CTF contribution are the responsibility of local communities. Although federal CMAQ money might be applicable to fund a demonstration, longer term funding mechanisms do not currently exist. In Washtenaw County, funding for implementing the Countywide Transit Master Plan might include eventual funding to pay for a share of Wally operations. Some share of expenses would presumably be borne by Livingston County, but no known initiatives are currently underway to develop a funding source for Wally.

Commuter Rail Projects Elsewhere in the US

Questions occasionally arise as to whether a project like Wally 'makes sense' in this region. Some question whether local population densities would support rail. Others may judge the costs to be prohibitive, or feel that the estimated ridership is not enough to warrant service. AATA staff has undertaken a comparative analysis of commuter rail projects throughout the US, concentrating on relatively new and smaller systems, and has tried to answer some of those questions by comparing the Wally project to systems already in place. Detailed findings are provided in Appendix 2 and generally support the view that Wally is consistent with other projects that have actually been implemented.

AATA Board Direction and Plan Going Forward

The Board last considered a formal AATA position on Wally in June of 2010 (see Appendix 3). At that time it was agreed, among other things, that the Wally project would need to be evaluated for inclusion in the Countywide Transit Master Plan in order to gain continued support. The Plan adopted in April, 2011 includes the Wally project. AATA staff understands the current position of the Board that AATA-budgeted funds for FY2012 will not be spent without the consent of the Board, and that such consent will come only after staff undertakes the following activities:

- Seek renewed commitment from MDOT, understanding of their goals and position regarding commuter rail services
- Contact Ann Arbor Railroad, understand their position, maybe create options for their consideration
- Work with the City of Howell and others in Livingston county to evaluate Livingston County support
- Develop a revised position statement on Wally for the Board's consideration

APPENDIX A – Wally Construction Status and Costs

WALLY Construction Status - August, 2011		
	Cost	Status
Track, Siding and Crossing Improvements		
Track and Crossing Rehab, MP 47.5 to MP 74.0, 100% State CTF Funds	\$5,411,929	Done
Osmer Siding for Daytime Layover, 3,992 feet, 100% State CTF Funds	\$672,375	Done
Layover Facilities		
Overnight Facilities at Oak Grove, single 1,700 ft layover facility, manual switches, building (power switches after demonstration is ended. Is there a need for five 1,000 ft storage tracks?)	\$850,000	Not done
480 Volt Stand-by at Osmer and Oakgrove	\$60,000	Not done
Rail Renewal		
Upgrade rail to Continuously Welded Rail (Not required work for WALLY), all other bad rail has been replaced.	\$10,299,200	Done
Track Rehabilitation		
Ballast Tamping	\$1,000,000	Not done
All Main Track is adequate at this point. Ballast work is anticipated to be needed for commuter service. No work is anticipated to be needed on side tracks		
Culverts		
Assume Replacement of 4 is needed @ \$25,000 each	\$100,000	Not done
At Grade Highway Rail Crossings		
11 public crossings need signal/lighting/possibly gates per MDOT Rail Section	\$2,750,000	Not done
OPTIONAL: Install/upgrade existing signals and gates at 23 other public crossings	\$5,750,000	Optional
Signals		
PTC Signals and locomotive PTC equipment	\$5,550,000	Not done
All other signal costs are in the At Grade Hwy Rail Crossing costs		
Stations, Parking and Access	\$4,275,000	Not done
No good data to support changing the Banks Data. Estimates for platforms at Ypsilanti range from \$472,000 (initial cost) to \$982,000 (final buildout), and the Airport platform range from \$326,000 (initial costs) to \$759,000 (final buildout).		
Buses and Ticket Vending	\$4,350,000	Not done
Total WALLY Capital	\$41,068,504	
Cost Breakdown by Status		
Value of track and signal work COMPLETED	\$16,383,504	
Required REMAINING track and signal work prior to start up	\$18,935,000	
Optional REMAINING track and signal work prior to start-up	\$5,750,000	
	\$41,068,504	
This table was created to reflect MDOT actual expenditures on certain items and revised estimates for other items. As a result, overall capital costs have increased compared to the earlier R.L. Banks estimates, but <u>remaining</u> capital cost has decreased due to items being completed.		

APPENDIX B – Characteristics of Selected Commuter Rail Operations

During late 2010 and early 2011, the Ann Arbor Transportation Authority conducted research regarding the status of commuter rail projects in the United States, with emphasis on the smaller operations, that is, those systems carrying less than about 4 million passenger trips per year. Fifteen such systems were identified and are listed below. Based on analysis of information from the National Transit Database (NTD) and additional information from interviews with the carriers, the following tables have been compiled.

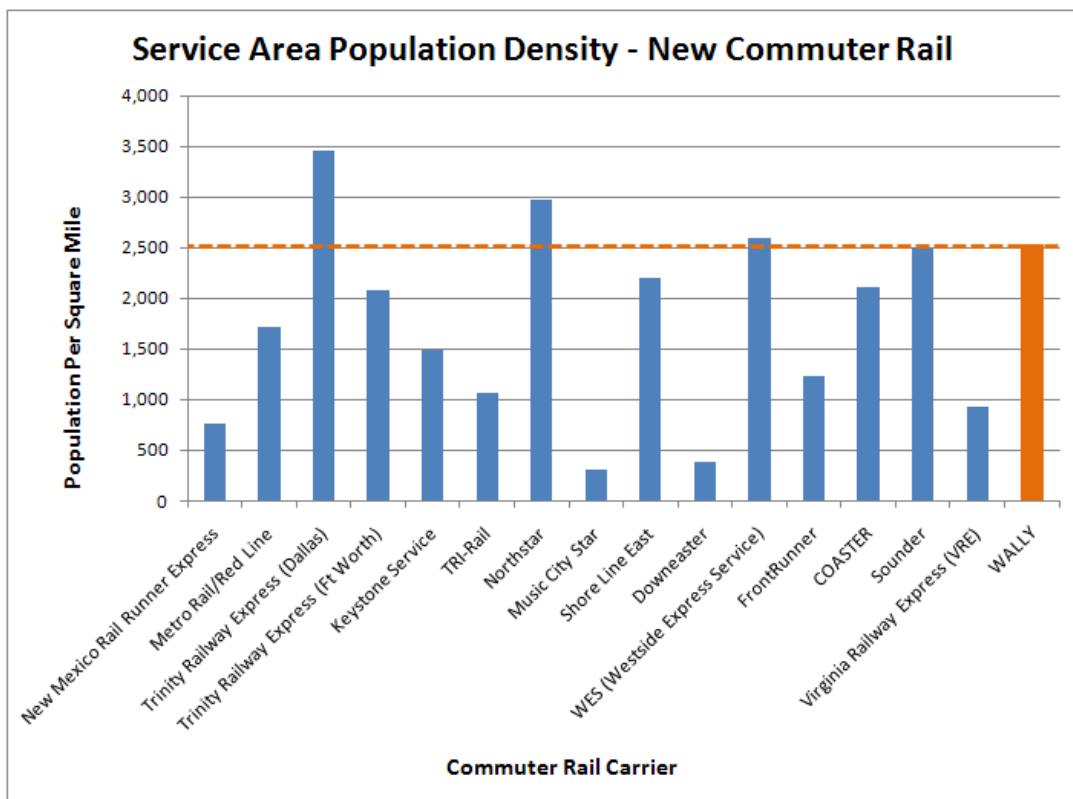
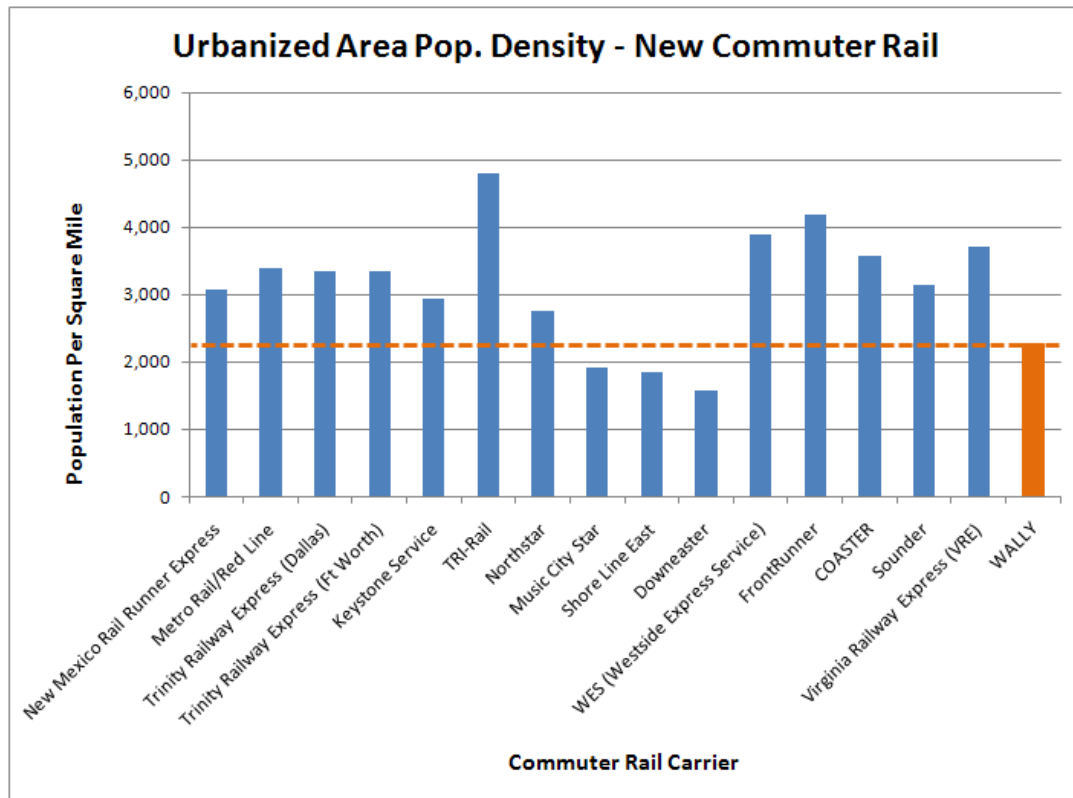
Commuter Rail Starts Since 1983

State	Metropolitan Area	Service Name	Agency Name	Corridor Description
NM	Albuquerque	New Mexico Rail Runner Express	Rio Metro Regional Transit District (RMRTD)	1 line to/from Santa Fe to Belen by way of Albuquerque
TX	Austin	Metro Rail/Red Line	Capital Metropolitan Transportation Authority (CMTA)	1 line to/from Leander to downtown Austin
TX	Dallas	Trinity Railway Express (Dallas)	Dallas Area Rapid Transit (DART)	1 line to/from downtown Dallas to downtown Fort Worth
TX	Fort Worth	Trinity Railway Express (Ft Worth)	Fort Worth Transportation Authority (The T)	1 line to/from downtown Dallas to downtown Fort Worth
PA	Harrisburg	Keystone Service	Pennsylvania Department of Transportation (PENNDOT)	1 line to/from Harrisburg to Philadelphia with connecting service to New York City
FL	Miami	TRI-Rail	South Florida Regional Transportation Authority	1 line to/from Miami to Palm Beach by way of Ft. Lauderdale
MN	Minneapolis	Northstar	Metro Transit	1 line to/from the Minneapolis central business district (CBD) to the town of Big Lake
TN	Nashville	Music City Star	Nashville Regional Transit Authority (RTA) / Metro Transit Authority (management services)	1 line to/from Lebanon to downtown Nashville
CT	New Haven	Shore Line East	Connecticut Department of Transportation (CDOT)	1 line along the Northeast Corridor to/from New London west to New Haven, CT, with continuing service to Bridgeport and Stamford, and connecting service to New York via the Metro-North Railroad's New Haven Line
ME	Portland	Downeaster	Northern New England Passenger Rail Authority (NNEPRA)	1 line to/from Portland, ME to Boston, MA (North Station)
OR	Portland	WES (Westside Express Service)	Tri-County Metropolitan Transportation District of Oregon (TriMet)	1 line to/from Wilsonville and Beaverton
UT	Salt Lake City	FrontRunner	Utah Transit Authority (UTA)	1 line to/from Pleasant View to Salt Lake City
CA	San Diego	COASTER	North County Transit District (NCTD)	1 line to/from Oceanside to San Diego
WA	Seattle	Sounder	Central Puget Sound Regional Transit Authority (ST)	2 lines to/from Seattle. One north to Everett, the other south to Tacoma
CA	Stockton	Altamont Commuter Express (ACE Rail)	San Joaquin Regional Rail Commission	1 line to/from Stockton to San Jose
DC	Washington	Virginia Railway Express (VRE)	Virginia Railway Express (VRE)	2 lines to/from DC. One to Manassas, the other to Fredericksburg
MI	Ann Arbor	WALLY	Ann Arbor Transportation Authority (AATA)	1 line to/from Howell to Ann Arbor

Length of Planning Period for Commuter Rail Starts

State	Metropolitan Area Name	Service Name	Planning Start Date	Service Start Date	Time from Plan to Start (Years)
NM	Albuquerque	New Mexico Rail Runner Express	August 2003	July 2006	3
TX	Austin	Metro Rail/Red Line	November 2000	March 2010	9
TX	Dallas	Trinity Railway Express (Dallas)	1983	December 1996	13
TX	Fort Worth	Trinity Railway Express (Ft Worth)	1983	December 1996	13
PA	Harrisburg	Keystone Service	-	-	
FL	Miami	TRI-Rail	1983	January 1989	6
MN	Minneapolis	Northstar	May 1997	November 2009	12
TN	Nashville	Music City Star	July 1990	September 2006	16
CT	New Haven	Shore Line East	1981	May 1990	9
ME	Portland	Downeaster	1980s	December 2001	16
OR	Portland	WES (Westside Express Service)	July 1996	February 2009	13
UT	Salt Lake City	FrontRunner	January 2002	April 2008	4
CA	San Diego	COASTER		February 1995	
WA	Seattle	Sounder	January 1986	September 2000	14
			January 1986	December 2003	17
CA	Stockton	Altamont Commuter Express (ACE Rail)	1989	October 1998	9
DC	Washington	Virginia Railway Express (VRE)	1984	June/July 1992	8
			1984	June/July 1992	8
MI	Ann Arbor	WALLY	2006	-	?
Approximate Average Time From Start of Planning to Start of Service:					10.6 Years

Commuter Rail and Population Density



Commuter Rail Ridership – Forecast and Actual

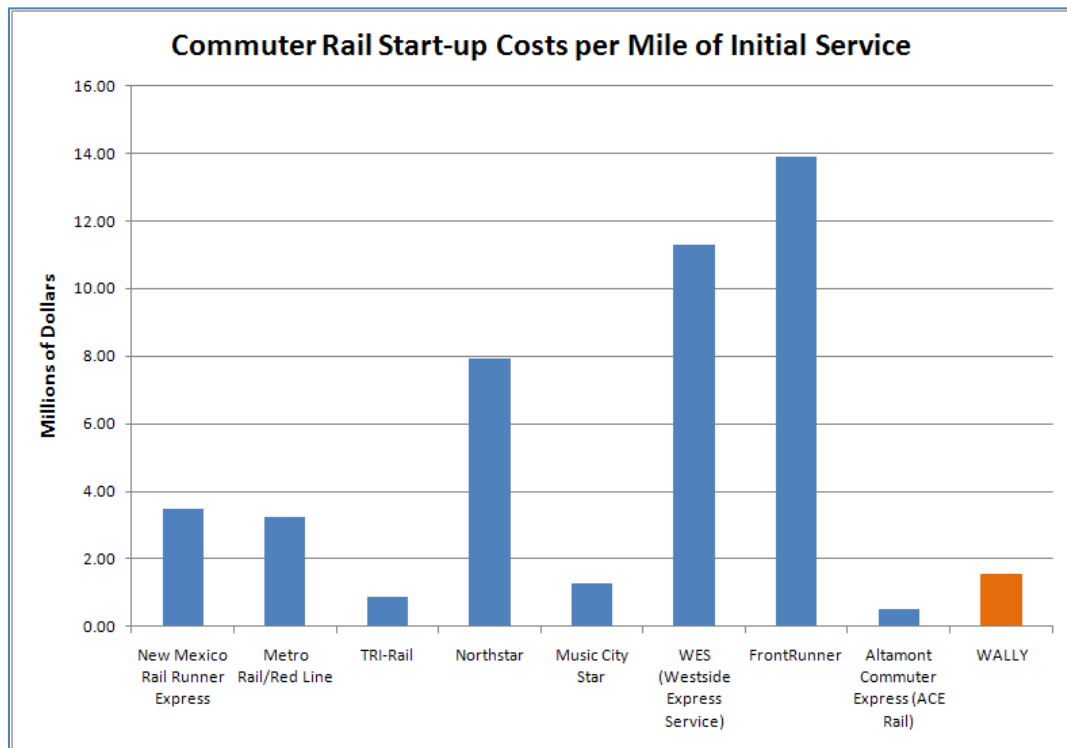
State	Metropolitan Area Name	Service Name	Daily ridership		
			Original Forecast	Actual	See Note
NM	Albuquerque	New Mexico Rail Runner Express	5300	3800	(1)
TX	Austin	Metro Rail/Red Line	1700	800	(2)
TX	Dallas	Trinity Railway Express (Dallas)	-	8600	(3)
TX	Fort Worth	Trinity Railway Express (Ft Worth)	-	8600	(3)
PA	Harrisburg	Keystone Service	-	1900	(4)
FL	Miami	TRI-Rail	17400	12300	(5)
MN	Minneapolis	Northstar	5900	2000	(6)
TN	Nashville	Music City Star	2006: 1,479 2012: 1,879	1016	(7)
CT	New Haven	Shore Line East	700 - 1350	2000	
ME	Portland	Downeaster	-	1400	(8)
OR	Portland	WES (Westside Express Service)	1600	1300	(9)
UT	Salt Lake City	FrontRunner	6100	5400	(10)
CA	San Diego	COASTER	0	4100	(11)
WA	Seattle	Sounder	0	8000	
CA	Stockton	Altamont Commuter Express (ACE Rail)	1000	1000	(12)
DC	Washington	Virginia Railway Express (VRE)	4500	17700	(13)
MI	Ann Arbor	WALLY	1300	-	

Ridership Notes	
(1)	Original forecast is approximate. Progressive Railroading article noted that 1,800 - 2,000 were expected in the first phase. CR History document said 3,500 were projected in year 2025 for work trips between Albuquerque and Santa Fe. It did not include all other trip purposes in the corridor, nor did it include work trips in the Santa Fe region commuting to jobs in Santa Fe.
(2)	Forecast is for March 2011. First week of rides were free. Had roughly 2,900 daily riders that first week. They expect 276,500 boardings for FY 2011. That's an estimated daily ridership of 1,084 assuming around 255 days of service. The original forecast was made before the recent economic downturn, was based on running 5 cars, and counted on some transit-oriented developments that never happened or were slower to get going than expected because of the economy. The number of riders in the summer are lower because they rely on some UT riders. Service changes coming January 2011 will hopefully increase ridership. Right now, their numbers are just statistical counts and they believe that they are closer to 1,000 riders/day with the start of school. Automatic counting systems are currently in the calibration phase.
(3)	Grew from 175,969 in 1997. More than 4,000 people rode the train during its first day of operation. FY09 average Saturday ridership = 5,300. FY09 subsidy per passenger = \$6.87. Source couldn't find or confirm an original ridership forecast.
(3)	Grew from 175,969 in 1997. More than 4,000 people rode the train during its first day of operation. FY09 average Saturday ridership = 5,300. FY09 subsidy per passenger = \$6.87. Source couldn't find or confirm an original ridership forecast.
(4)	Ridership from July 1, 2009 to June 30, 2010 totaled 1.277 million, which was a 3.9 percent increase from the previous fiscal year's record of 1.229 million trips.
(5)	Double Track Corridor Improvement Program, funds received June 2000, completed March 2006. This added a second set of tracks along the entire 70.9 mile corridor. SFRTA had a goal of 14,000 riders daily by the end of the first year of service.
(6)	Forecast is Year 2030. The ridership goal for 2010 was 3,400.
(7)	The ridership estimates assume that a premium commuter rail service will attract up to 10% of the work trips destined from the outlying stations areas to the downtown area.
(8)	Ridership in 2002, the first full year of service, was about 292,000 passengers. This was just a little under the projected ridership.
(9)	Projection is for the first year of service. Forecast for 2020 is 3,000 - 4,000. Initial estimates were 2,400-2,500 in the first year of service, but the FTA approved the project after the numbers were revised downward.
(10)	Forecast was at startup. They offer an off-peak group pass that is highly discounted and also have an economy pass program. Have seen a drop somewhat in ridership after boom in late 2008, but they are trying to build it back up. Forecast for year 2025 is 11,800.
(11)	Carried over 700,000 passengers in its first year of service. 6,000 average daily riders on weekdays, 1,200+ daily riders on Sat.
(12)	Reached a peak of just over 4,000 in 2001. They expected between 600 and 700 on opening day and about 1,000 after one year.
(13)	1987 ridership projections were 4,000 riders/day. 1991 updated projections, prepared while the system was under construction, estimated 4,500 daily riders. In FY 1993, there were about 5,600 daily riders on 16 trains; now operates 29 trains. Ridership reached 7,800 average daily trips by the end of the 1993 calendar year and overcrowding became a problem on some trips. Ridership is split almost 50/50, but the Manassas Line is currently growing faster.

Commuter Rail Initial Capital Costs – Selected Properties

The tables below compare the initial capital (construction) cost of systems. Only those systems which were able to provide reliable data are reported. Wally data is estimated.

Service Name	Existing track?	Estimated Start-up Costs (\$M)	Actual Start-up Costs (\$M)	Initial Route Length (miles; one-way, single track)	Start-up Costs per Mile of Initial Service (\$M)
New Mexico Rail Runner Express	Yes	325	333.8	47	3.48
Metro Rail/Red Line	Yes	90	105	32.5	3.23
TRI-Rail	Yes	-	59.6	67	0.89
Northstar	Yes	289.1	317.38	40.1	7.91
Music City Star	Yes	42	41	32	1.28
WES (Westside Express Service)	Yes	0	166	14.7	11.29
FrontRunner	No	541.4	611.68	44	13.90
Altamont Commuter Express (ACE Rail)	Yes	-	46	86	0.53
WALLY	Yes	41	-	26.9	1.52



APPENDIX C – AATA Position Statement – June 2010

“AATA continues to support the WALLY project and appreciates the financial and technical support provided by the State of Michigan. AATA will continue its support of the WALLY project as long as MDOT is supportive and as long as there continues to be a reasonable level of support from the WALLY host communities. The WALLY project will also be examined as part of the AATA Transit Master Plan process to confirm whether the project has merit within the context of a county-wide system.

AATA recognizes that funding gaps exist for both capital construction and operating expenses. AATA will continue to support development of a WALLY demonstration service as long as 1) there is a reasonable expectation that these funding gaps can be closed using Federal, State, local public or other sources, and 2) there continues to be reasonably strong public support for the project.

AATA makes no commitment to providing either capital or operating funding at this time, and AATA currently takes no position regarding the start date of service due to the uncertainty with respect to funding. AATA will continue to work with MDOT and the local communities to seek and apply for federal funding of the project. Once funding issues are fully resolved, AATA will commit to a service start-up date.”

APPENDIX D – Key Correspondence and Selected* Letters of Support

- March 6, 2007 - Letter from MDOT to Northfield Township Supervisor, offering support for the project and specific funding support for track work, railcars and insurance.
- July 5, 2007 - Letter from MDOT to Northfield Township Supervisor, estimating Act 51 State Operating Assistance for Wally.
- June 30, 2009 - Letter from MDOT to AATA, suggesting the creation of a Memorandum of Understanding to document agreements between the two agencies.
- November 11, 2009 – Letter of Understanding between MDOT and AATA signed
- December 17, 2009 – Letter of support from Livingston County Planning Department
- January 8, 2010 – Letter MDOT to FTA advising of possible intent to seek federal funding and seeking FTA support for NEPA work
- February 17, 2011 – City of Howell letter of support for adding Wally to the Countywide Transit Master Plan
- February 23, 2011 – Howell Area Chamber of Commerce letter of support for adding Wally to the Countywide Transit Master Plan
- March 9, 2011 – Howell Downtown Development Authority letter of support for adding Wally to the Countywide Transit Master Plan

* Many additional letters of support were obtained from local stakeholders as part of the process of developing the TIGER grant applications. These are not included here.