

September 24, 2019

Robert Patrick, Regional Administrator
Federal Transit Administration, Region VI
Via Electronic Mail

RE: Fort Bend County Request for Letter of No Prejudice (LONP) to continue Project
Implementation Activities for Downtown Service Project

Dear Mr. Patrick:

As required under the Fixing America's Surface Transportation Act (FAST Act) and in accordance with subsequent Federal Transit Administration (FTA) guidance, Fort Bend County ("County") respectfully requests the FTA's issuance of a Letter of No Prejudice (LONP) allowing the County to incur costs up to \$6,872,461 in federal dollars for seeking federal reimbursement at a later date. Costs and related activities under the LONP would include: rolling stock purchase, bus wraps, purchase of service, marketing, printing, parking lot lease and other activities related to the implementation of Commuter Bus Services from Fort Bend County to Downtown Houston (herein referred to as the "Project").

The County recently submitted the Project to the Houston-Galveston Area Council's Transportation Improvement Program Project Call and received Congestion Mitigation Air Quality (CMAQ) funding totaling \$6,872,461 (FY20 \$2,000,000 and FY22 \$4,872,461). It is the County's intent to submit a request to the Texas Department of Transportation (TxDOT) to transfer the FY22 funds for oversight by FTA. In addition, the County may use up to \$157,450 FY19 Section 5307 funding for this project.

The County understands the costs incurred subsequent to the issuance of this LONP may be reimbursable as eligible expenses. The County also understands funds must first be transferred by the Federal Highway Administration (FHWA) to FTA, and a grant must be executed before money spent for the Project can be reimbursed from this funding source. Furthermore, the County fully understands that federal funding is not implied or guaranteed by receipt of a Letter of No Prejudice. Fort Bend County is committed to following all applicable federal requirements should the LONP be approved.

The CMAQ funding for rolling stock purchases was amended into the Houston Galveston-Area Council's (H-GAC) 2040 Regional Transportation Plan (RTP) and 2019-2022 Transportation Improvement Program (TIP) under Resolution No. 2019-09 dated March 22, 2019; however, these changes have not yet been published. The County is in communication with H-GAC regarding the CMAQ funds for the purchase of service, marketing, and parking lot lease and does not foresee any issues with moving forward with a contract for funding.

As required by the FTA, the County anticipates this Project to be covered under a Categorical Exclusion.

Additional information regarding the project, our need, and justification for the requested LONP is included in Attachment A. If you have any questions, please contact Perri D'Armond, Transit Director, at 281- 243-6701 or via email at Perri.DArmond@fortbendcountytexas.gov. Your attention to this request is much appreciated.

Regards,

KP George
Fort Bend County Judge

Attachment A: Fort Bend County Request Project Implementation Activities for Downtown Service Project Letter of No Prejudice (LONP)

CC via email: Don Kioski, FTA Region VI Director of Planning & Program Development
Ronisha Hodge, FTA Region VI Community Planner
Temple McCoy, FTA Grant Manager
Perri D'Armond, FBCPT Director
Yvette R. Maldonado, FBCPT Assistant Director
Ed Sturdivant, FBC Auditor

ATTACHMENT A

Fort Bend County Request Project Implementation Activities for Downtown Service Project Letter of No Prejudice (LONP)

Fort Bend County (“County”) is requesting the Federal Transit Administration (FTA) issue a Letter of No Prejudice (LONP) to allow the County to incur costs up to \$6,872,461 in federal dollars for project implementation activities occurring before award of a grant agreement for the above-listed project.

Should FTA approve the grant agreement, the County understands the cost incurred subsequent to the issuance of a Letter of No Prejudice may be reimbursable as eligible expenses. We also understand the Federal Highway Administration (FHWA) Congestion Mitigation Air Quality (CMAQ) funds must first be transferred by FHWA to FTA, and a grant must be executed before expenses can be reimbursed. Furthermore, Fort Bend County fully understands federal funding is not implied or guaranteed by receipt of a Letter of No Prejudice. Fort Bend County is committed to following all applicable federal requirements should the LONP be approved.

The CMAQ funding for rolling stock purchases was amended into the Houston Galveston-Area Council's (H-GAC) 2040 Regional Transportation Plan (RTP) and 2019-2022 Transportation Improvement Program (TIP) under Resolution No. 2019-09 dated March 22, 2019; however, these changes have not yet been published. The County is in communication with H-GAC regarding the CMAQ funds for the purchase of service and does not foresee any issues with moving forward with a contract for funding.

Project Description

Fort Bend County Public Transportation (FBCPT) has experience providing successful commuter service along the US 59 corridor for residents who commute long distances to employment centers such as the Texas Medical Center (TMC), the Galleria, and Greenway Plaza. Commuter service operates only during weekday peak periods, generally on 15 to 25-minute intervals. Limited mid-day service is available on the TMC route. Reverse commute services are available during limited times. FBCPT currently provides customer parking through shared arrangements with AMC First Colony and the University of Houston at Sugar Land and maintains a permanent facility at the Fort Bend County Fairgrounds in Rosenberg. Passenger amenities at these locations consist of basic bus shelters for waiting customers. In FY18, Fort Bend County's public transit system provided over 390,000 trips.

FBCPT will provide the new Downtown Houston service using a fleet of 28 new medium-duty cutaway buses which will include wheelchair lifts, fareboxes, bike racks, and security cameras. Each bus will also include mobility lifts and wheelchair securement systems to ensure the service will promote accessibility for the disabled. This Project will achieve a critical objective of H-GAC’s Commuter and Transit Pilot Project Program by establishing new commuter bus service between rapidly growing regional suburbs in Sugar Land, Fort Bend County, to the urban employment core of Downtown Houston (Figure 1). The

Project will meet its overall service objective to provide a one-seat transit ride from a Park & Ride at the First Colony AMC Theatre in Sugar Land to Downtown Houston by using the same successful transit operations techniques FBCPT currently deploys for its existing commuter services.

The service will be delivered in partnership with the Houston Downtown Management District (Downtown District), who has pledged to share local match requirements with the County. This Project will directly benefit the Downtown District by providing additional transit options for its residents, reducing the need for expensive parking downtown, and reducing congestion.

Project Costs

The Project budget table (Figure 2), details service project costs for Years 1 through 3 (expenses and revenues) and indicates federal funds already committed to the project. The County competed for the Project in the Houston-Galveston Area Council's Local Transportation Improvement Call for Projects and will receive Congestion Mitigation Air Quality (CMAQ) funding (FY20 \$2,000,000 and FY22 \$4,872,461). As stated above, it is the County's intent to submit a request to TxDOT to transfer the FY22 funds for oversight by FTA. In addition, the County may use up to \$157,450 FY19 Section 5307 funding for this project.

Justification for Advancing the Project/Fort Bend County Capabilities

Due to the County's existing turnkey contract to operate the service, established vehicle procurement process, and in-progress marketing efforts, FBCPT will be ready to market and implement this new service and have trained drivers on the road as early as October 2020.

Based on recent studies and planning documents, data analysis shows that the County, particularly the Sugar Land area, will continue to grow in the coming years, leading to an increase in demand for commuter transit service to the region's largest employment destination, Downtown Houston. Population and employment projections from H-GAC show that this commuter route is a critical missing link in the region's current transportation network. Without this project, the number of individual drivers will increase each year, adding to congestion and emissions throughout the H-GAC region.

FBCPT plans to promote heavily the new service between grant award and the anticipated revenue start date of October 2020 to attract new riders. FBCPT has taken a vital step towards creating an effective and engaging Marketing Plan by contracting with a professional marketing firm. This contract includes market research, brand refinement, community outreach, and public relations as well as the opportunity to create specific sub-marketing plans for new services.

FBCPT currently operates three similar successful commuter service routes with growing ridership. FBCPT understands transit planning and operations and has access to the

necessary resources to implement this Project within the proposed timeframe. FBCPT will procure the essential rolling stock and has experience doing so through its previous procurements of similar vehicles. FBCPT is led by a dynamic and experienced team of transportation professionals with a proven record of accomplishment of success in overseeing similar Projects. Director Perri D'Armond brings 25 years of experience in transportation policy, project development, and management; Kevin Thompson, Operations Manager, has fifteen years in the transportation industry, with twelve of those years being in operations management serving the greater Dallas-Fort Worth area along with Austin-Bergstrom International Airport; Russell Gerami, Operations Supervisor, has over 30 years of experience in transit operations; and Yvette Maldonado, Assistant Director, has 14 years of experience in grants management and oversight of which nine years have been in public transportation. Together, with the financial contributions and planning input from its partner, the Downtown District, FBCPT is confident in the ability to operate a successful new commuter service.

Project Implementation Schedule

The Project Implementation Schedule (Figure 3), details the project timeline up to service implementation date.

Figure 1
Project Service Map

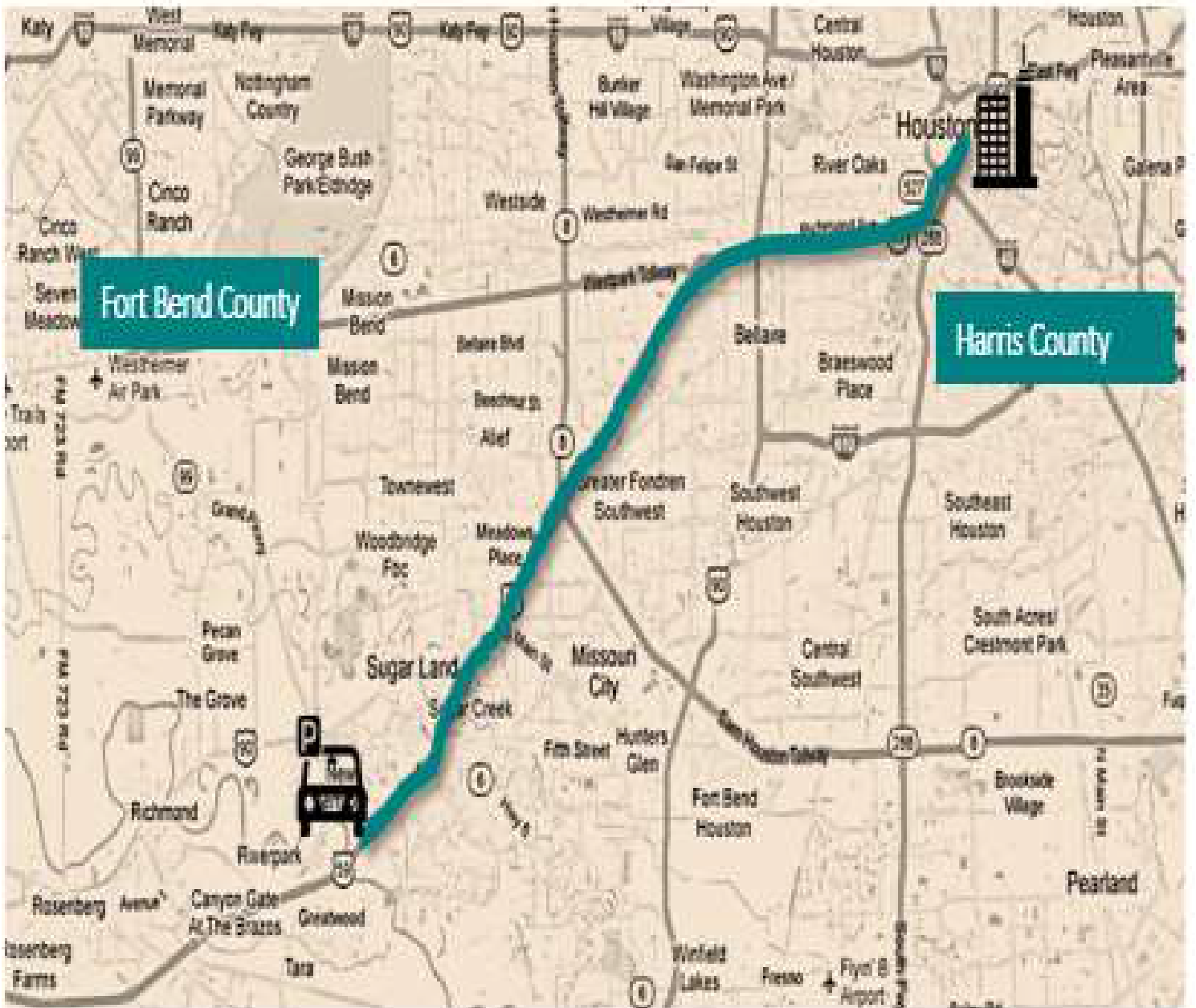


Figure 2

Project Budget

<u>Title</u>	<u>1-Oct-20 Year 1</u>	<u>1-Oct-21 Year 2</u>	<u>1-Oct-22 Year 3</u>
Days of Service per Year	252	252	252
Daily Passengers (unlinked trips)	1,025	1,281	1,538
Annual Passengers	258,300	322,812	387,576
Daily Passenger Miles	2,779,800	3,474,072	4,171,056
Annual Passenger Miles	700,509,600	875,466,144	1,051,106,112
Daily Vehicle Hours	149	149	149
Annual Vehicle hours	38,000	38,000	38,000
Hourly Service Rate	\$48.46	\$49.38	\$50.68
Operating Expenses	\$1,841,480	\$1,876,440	\$1,925,840
Marketing Expenses	\$37,000	\$37,000	\$37,000
Parking Lot Lease	\$18,750	\$18,750	\$18,750
Total Gross Expense	\$1,897,230	\$1,932,190	\$1,981,590
Fare Price	\$4	\$4	\$4
Average Fare Charged*	\$3.60	\$3.60	\$3.60
Farebox Revenue	\$929,880	\$1,162,123	\$1,395,274
Farebox Recovery Ratio	49%	60%	70%
Total Net Expenses	\$967,350	\$770,067	\$586,316
CMAQ Funding Levels in Percentage	80%	80%	80%
CMAQ Funding in Dollars	\$773,880	\$616,054	\$469,054
Local Funding Level in Percentage (FBC)	10%	10%	10%
Local Funding Level in Dollars (FBC)	\$ 96,735	\$ 77,006	\$ 58,631
Local Funding Level in Percentage (Downtown District)	10%	10%	10%
Local Funding Level in Dollars (Downtown District)	\$ 96,735	\$ 77,006	\$ 58,631
Total Funding in Dollars	\$967,350	\$770,067	\$586,316
	Should = 0	\$0	\$0

*Average Fare Charged: Includes 10% Ticket Book Discount

Figure 3

Fort Bend County Public Transportation Downtown Services Project

Project Timeline

Estimated Date	Activity
September 24, 2019	Submit Letter of No Prejudice to FTA for Vehicle Purchases Negotiate additional spaces under AMC Lease Agreement
October 22, 2019	Court Approval to amend AMC Lease for Extra Spaces
December 31, 2019	FTA approval of Letter of No Prejudice
January 6, 2020	Begin Marketing Activities
January 7, 2020	Court Approval to order 28 Buses Court Approval of agreement with Central Houston for local match support
January 10, 2020	Order 28 Buses
February 3, 2020	Finalization of Route Schedule & Stops
March 2, 2020	Schedules Printed
July 8, 2020	Delivery of 28 Buses
August 5, 2020	Marketing directed towards Service Launch
September 6, 2020	Vehicles Titled, Licensed & Wrapped
October 5, 2020	Service Start Date