

EXECUTIVE SUMMARY

The County Executive appointed the Transit Task Force on February 23, 2011. The Task Force is comprised of a group of community leaders, elected and appointed officials, and transportation and planning experts from state, regional, and local government agencies. The Executive's directive to the Task Force was to develop a plan for the implementation of a comprehensive and effective rapid transit system for Montgomery County.

The Task Force has met 31 times over the last year as a full body, and many more times as working groups formed to address specific issues.

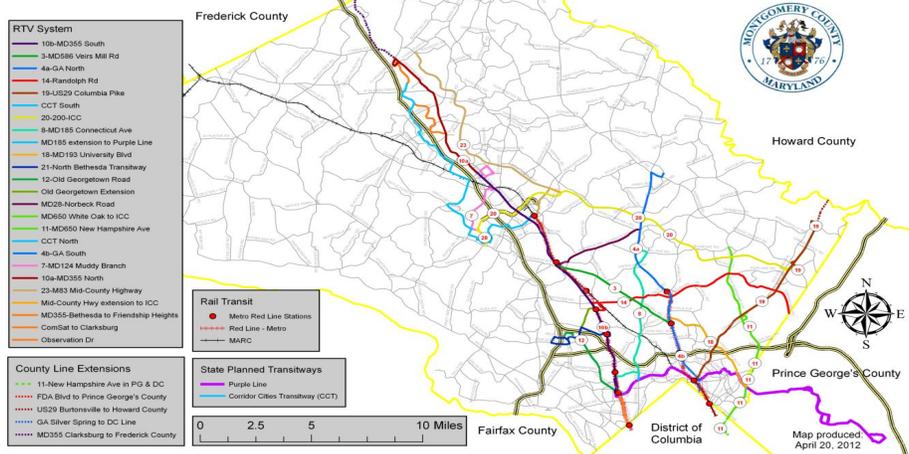
The Task Force embraced its mission, and refined its definition. It saw its overarching goal as proposing an innovative, "best-in-class," rapid transit system for Montgomery County that would expand accessibility to reliable and timely transit options, and thereby transform the way in which residents, workers, and visitors choose to travel through and within Montgomery County and, ultimately, the entire Washington Metropolitan Area.

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The Case for a Rapid Transit System

After over a year of deliberations, the Task Force is recommending an approximately 160 mile system (for map see **Appendix D-4**) that creates a comprehensive transit network across the County, providing both north and south, as well as east and west, transportation opportunities. The system proposed consists of a sophisticated surface transit system, using vehicles that will operate more like "light rail on rubber tires" than what is more typically referred to as "bus rapid transit". The Task Force is recommending that the system be built in phases in order to mitigate both construction and affordability issues. The Task Force is providing options for the entire system to be built in as few as nine years or as many as 20 years.

Transit Task Force Full Rapid Transit System



Transportation is a foundational element in government's and the private sector's ability to achieve their goals in a wide range of activities, each of which requires access and mobility in the County and throughout the region. Investment in transit must be undertaken to enable any community to meet its most basic needs of moving people and commerce. Failure to make these necessary investments undermines our productivity, economic competitiveness, environment, safety and quality of life. This is the inexorable logic of why creating adequate transportation capacity must be a high priority in any community.

For the 20 year period between 2010 and 2030, the Washington Primary Metropolitan Statistical Area ("WPMSA") is forecasted to experience an employment growth of approximately 1.05 million net new jobs. Montgomery County's share of that projected employment growth during those same years is projected to be approximately 163,000 net new jobs.

Today, the WPMSA already suffers from the most congested roads in the country. The Transportation Planning Board projects the region to add to the already worst congestion in the nation yet another 3.9 million daily vehicular trips, another 25 million vehicle miles traveled daily, and another 250,000 daily transit trips during the same 20-year period.

Even more daunting, if the current trends of exurban/rural sprawl around the WPMSA were to continue, today's estimated approximately 230,000 daily work trips from outside the WPMSA into and through the WPMSA (i.e., the pass-through traffic funneled through the WPMSA) is projected to **more than triple** to approximately 700,000 by the year 2030. With approximately 75% of commuters traveling alone in

single occupancy vehicles (“SOVs”), and another 10% of commuters traveling in carpools, such an automobile-dependent commuting pattern is unsustainable.

The great challenge that must be addressed is to enhance the capacity of our existing transportation network to accommodate growth in population, employment and the need for people and commerce to move. The Task Force concluded that implementing an approximately 160 mile rapid transit vehicle (“RTV”) system based on sophisticated, surface level bus-type technology is the most efficient way to increase capacity and serve a broad range of public and private interests.

The proposed RTV network is needed to provide safe, convenient, affordable, sustainable transportation that will serve existing residents and employees and will enable the County to achieve its current transit-oriented “smart growth” land use and growth forecasts. The RTV system will also provide a long-term sustainable platform for continued growth and development in the County, beyond the current 20 year growth projections. To achieve “smart growth” and successfully compete for its fair share of the projected job growth in the Region, the County needs to plan, fund, and build a high performance rapid transit system, which enables the County to achieve its “smart growth” vision to the extent embodied in its General Plan, Comprehensive Growth Policy and approved Master Plans.

Some undoubtedly will argue that the Task Force’s vision for the role of transit and land use represents a departure from policies favoring an automobile-oriented pattern of suburban development. The Task Force believes this view represents a misreading of the historical record, which reflects a consensus formed more than 50 years ago in favor of organizing development around transit. As the 1962 introduction to the General Plan argued:

“One of the biggest private costs you pay as a suburbanite is transportation – the second car and the endless chauffeuring of the kids here, there and everywhere. These costs can also be curtailed by compact instead of scattered development, better local bus routes, shorter distances to local community facilities, and the use of rapid transit for major commuting trips.”

Similarly, the 1964 General Plan (the “wedges and corridors” plan), the foundational document in land use and transportation planning in Montgomery County, observed:

“An efficient system of transportation must include mass transit sufficient to meet a major part of the critical rush-hour need. Without rapid transit, highways and parking garages will consume the downtown areas; the advantages of central locations will decrease; the city will become fragmented and unworkable. The mental frustrations of congested highway travel will take its toll, not to mention the extra costs of second cars and soaring insurance rates. In Los Angeles where an automobile dominated transportation system reigns supreme, there is still a serious commuter problem even though ‘approximately two-thirds of the city’s downtown section is given over to streets and parking and loading facilities.’ There is no future in permitting the Regional District to drift into such a ‘solution.’”

When the “wedges and corridors” plan was amended in 1969, the relationship between transit and land use was articulated more clearly, and the new version of the plan called for “a coordinated rail-bus rapid transit system that is as capable of shaping desirable growth patterns as it is in serving present population and employment centers.” The 1969 refinement also recognized the need to “[f]oster a pattern of land development which reduces auto trip length.”

By the time of the most recent modifications to the General Plan in 1993, the need for greater emphasis on orienting development around transit – and on delivering the transit envisioned by earlier iterations of the “wedges and corridors” plan – had become obvious. With regard to the area along I-270, Montgomery County’s “corridor” in the “wedges and corridor” scheme, the authors of the 1993 refinement noted, “Its present achievements in fulfilling the vision of the 1964 General Plan and the 1969 General Plan Update have been modest. The corridor is plagued by congestion and poor pedestrian amenities. It is characterized by surface parking lots, strip retail, and sprawling development, instead of densely developed identifiable centers.”

What is the reason for the failure to achieve the General Plan’s vision? “Demand to develop the I-270 corridor came well in advance of the transit stations envisioned in the 1964 General Plan. Consequently, early development was characterized by low-density office parks loosely strung along I-270, with housing located away from the main arteries of travel.” The urban ring, which extends beyond the beltway to White Oak in the eastern part of the county, was likewise unable to fulfill the expectations outlined in

the 1964 and 1969 plans in the absence of transit service that could provide both the economic incentive and the organizing logic for redevelopment.

The Task Force believes that an RTV system is essential to fulfill the vision for land use as well as transportation that was spelled out in 1964 and elaborated in later refinements to the General Plan. In fact, a high quality transit network matched with transit supportive mixed uses and density is not only consistent with but required by the wedges and corridors plan.

New public transit systems, which are consciously designed to improve the riding experience of users, have shown that they can lure people out of cars and onto transit. Key features that contribute to a better rider experience are more frequent service, stylish and comfortable vehicles, improved travel times and well-designed stations. If successful in attracting sufficient numbers of new riders, such an expansion of the transit system may lead to a net reduction in greenhouse gas emissions and encourage mixed use, denser development around some stations and along portions of transit corridors instead of less dense development in outlying “greenfield” areas.

The Proposed RTV System

The most important attribute of the proposed RTV system is:

To the maximum extent possible, having physically separated, dedicated RTV lanes THROUGHOUT THE ENTIRE SYSTEM, so the system’s RTVs would not become comingled into mixed general traffic.

In selecting the corridors that will be the basis for all routes in the RTV system, the Task Force sought to deal with the most congested corridors and to provide for east-west connectivity as well. The Task Force has proposed that the network be built in three phases to ensure minimal community disruption during construction.

The Task Force is also making a number of recommendations regarding how the proposed system should be funded and financed. **The Financial Plan contains an innovative approach to combining State and local resources to bring the system to fruition. However, the objective of the plan is to provide the County Executive and the County Council a broad range of concrete options from which they may choose.**

The choice of the local source of revenue is based on the use of special real property taxing districts to generate the funding for both construction and operating expenses. Utilizing the special tax district approach to fund operations would require a

change in state law. (Currently, only design and construction activities can be funded using the special tax district approach.)

Another funding source included in the Task Force's financial models is an assumption regarding State and/or County general fund assistance. State funding is suggested because of the inclusion of the Corridor Cities Transitway ("CCT") in the proposed network, as well as the fact that traditionally the State provides capital cost funding for major State transportation projects. Since the CCT is a State project, it is only fitting that the State pay the debt service on debt issued to construct the CCT. Also included in some of the funding scenarios is an assumption that beyond the year 2020 (the year in which the Purple Line is projected to be operational), the State would fund up to 50% of debt service on the balance of the proposed RTV system. This assumption is based upon the belief that the proposed RTV system will greatly improve capacity on State highways in the County and that, but for the proposed system, the State would be making very large dollar investments in roadway improvements to relieve future congestion issues. Furthermore, the economic and fiscal benefits of a completed RTV system will benefit the State as a whole, as well as the County.

Although not explicitly stated in the various funding scenarios, it is also possible that beyond 2018, there may be capacity in the County's Capital Improvements Program for some general fund assistance to help fund capital construction investments.

Finally, in the body of the report, a number of arguments are made for the critical nature of this project including:

1. It is the most cost-effective way for the County to address its transportation capacity and traffic congestion issues;
2. It is the County's best hope for creating vibrant, live-work communities for existing, as well as future, residents and employees that reduce our reliance on automobiles to get to and from work;
3. It is needed to implement the County's already adopted land-use decisions specifically in the areas of the Great Seneca Science Corridor ("GSSC") Master Plan and the White Flint Master Plan. Both of these master plans have staging elements that are tied to transit. The GSSC Master Plan specifically ties development to the availability of the CCT, and the White Flint plan ties the ability of development to the increase in the modal split for non-auto transportation; and

4. Another important case for building the system is the one made by the Center for Regional Analysis. Its study has projected that Montgomery County has the potential to receive 163,000 net new jobs over the next 20 years. Realizing these jobs is predicated on the existence of adequate housing and transportation capacity. Without the transportation capacity the forecasted jobs may not come to the County. They may go elsewhere, either to other jurisdictions in the region or out of the region entirely. This will likely result in increased congestion on our roads - without the attendant economic and fiscal benefits that would occur if such jobs and housing were created in the County. In the Task Force's view, the proposed integrated rapid transit system provides the best option for providing the transportation capacity for these forecasted jobs to become a reality. At the same time, it will positively impact our congestion, environmental quality and general quality of life needs.

In considering a financial plan for the RTV system, the Task Force has, first and foremost, been focused on advising the County Executive and other decision-makers on the most feasible structure for funding the project. The Task Force has also considered various detailed elements of capital investment and operating expenses of the proposed RTV system, and will address and give guidance on these subjects to the extent practical.

The Task Force is asking readers to focus primarily on the *structure* of the financial plan, and that any specific capital investment data should be viewed as illustrative of potential costs, and not hard estimates. The Task Force's goal in producing capital investment numbers is to present an order of magnitude, and to allow decision-makers to see how costs at that level would play out within the structure of the financial plan.

The Task Force believes that what is presented in the Report represents an innovative approach to funding and financing that gives the County Executive, County Council and other decision-makers a broad range of choices that balance cost to the taxpayer against the need to address an urgent problem and to quickly achieve the many benefits to the County and State of building the proposed system: One that uses State and local resources effectively and in the public interest. If the County makes the necessary reasonable short term investment in further planning for the RTV system, the proposed project may move ahead without losing any time, while our political institutions work out a resolution to the difficult issues with which they are presented relating to transportation and other matters.

Although still a rough estimate, the capital costs for the RTV system are estimated to be \$1.83 billion in current year dollars. Annual operating costs for the system are estimated to be \$1.1 million per mile. This estimate was developed from a range of sources including consulting studies and estimates provided by other jurisdictions where Task Force members made site visits.

The Task Force recommends that the capital costs of the proposed RTV system be primarily financed by debt. The Task Force proposes that debt service on the debt be paid from a combination of local and State revenue sources. Given the significant constraints facing the Federal Transit Administration's (FTA) New Starts program and uncertain future funding prospects, the Task Force concluded it would be most prudent to design a funding mechanism for the RTV system that was not dependent on federal funds.

For each of the funding scenarios, readers are cautioned that they should not fall prey to the fallacy of artificial precision. There are times when precise numbers about the capital cost and operating expenses cannot be given, especially at the conceptual stage of a project - which is where the Task Force finds itself. The best that can be done is to illustrate how a funding structure will work if a general estimate of costs is given. That is the case in this instance.

The primary reason for this is that there are simply too many imponderables at this time, including:

1. The State's ability to contribute to the capital investments or operating expenses of the RTV system.
2. To what extent other appropriate revenue sources could become available (such as through the private sector sponsorship of RTV stations, other means of raising private sector revenues, and other appropriate excise taxes, all of which need to be explored).
3. The Planning Board has not developed its recommendations regarding amendments to the Master Plan of Highways and Transitways ("MPOH"), and the Council has not acted on those recommendations. These decisions are critical elements of knowing exactly the physical attributes and configuration that corridors will have on the ground. Obviously, the answers to these questions will impact cost. ***The one thing we do know is that in order to have an optimally functioning RTV system we must have***

dedicated lanes – however they are physically configured and however that goal may be accomplished.

4. In every major construction job reliable cost numbers do not exist until designs have reached a substantial enough level of detail to enable the “owner” to shift pricing risk to the “designer and builder.” At this point, the Task Force has had the benefit of preliminary feasibility and conceptual design estimates only, therefore the cost estimates are much less certain than when a great deal of the design work is completed.

The below table is a summary of all of the scenarios set forth in detail in the report, expressing the special district tax for each scenario, and for each category of taxpayer, in 2012 constant dollars.

The Task Force believes that use of design-build/operate-maintain contracting techniques, as well as other more streamlined procurement procedures that are not currently in use, may result in more advantageous pricing and more expeditious planning, engineering, construction and completion of the project. However, because no decision has been made to utilize alternative procurement techniques (such as the design-build/operate-maintain techniques), it is impossible to make assumptions about time and cost savings that might be achieved through the use of those techniques.

At a Glance Full System Scenario Results

Scenario	Brief Description	Residential Tax (Within 1/2 mile of Corridors) Average in 2012 Constant Dollars*	Residential Tax (Beyond 1/2 mile of Corridors) Average in 2012 Constant Dollars*	Maximum Residential in 2012 Constant Dollars	First Year in Which Maximum Residential Occurs	Commercial Tax (Within 1/2 mile of Corridors) Average in 2012 Constant Dollars**	Commercial Tax (Beyond 1/2 mile of Corridors) Average in 2012 Constant Dollars**	Maximum Commercial in 2012 Constant Dollars	Year in Which Maximum Commercial Occurs
Scenario A	Capital: Comm w/in 1/2 mile STD Oper: All properties 90% STD Some State/County Contribution 9 yr "Base Implementation"	\$ 232.73	same as 1/2 mile	\$ 320.00	2020	\$ 1,294.32	\$ 290.91	\$ 2,175.00	2022
Scenario B	Capital: Comm w/in >1/2 mile STD Oper: All properties 90% STD Some State/County Contribution 9 yr "Base Implementation"	\$ 330.91	same as 1/2 mile	\$ 440.00	2020	\$ 752.27	\$ 413.64	\$ 1,525.00	2022
Scenario B1	Capital: Comm w/in >1/2 mile STD plus all Residential 90% STD Oper: All properties 90% STD NO State/County Contribution 9 yr "Base Implementation"	\$ 336.36	same as 1/2 mile	\$ 440.00	2020	\$ 1,175.00	\$ 420.45	\$ 2,150.00	2022
Scenario C	Capital: Comm w/in >1/2 mile STD Oper: All properties 90% STD Some State/County Contribution 20 yr "Extended Implementation"	\$ 252.73	same as 1/2 mile	\$ 360.00	2028	\$ 357.95	\$ 315.91	\$ 625.00	2026
Scenario C1	Capital: Comm w/in >1/2 mile STD Oper: All properties 90% STD NO State Contribution 20 yr "Extended Implementation"	\$ 269.09	same as 1/2 mile	\$ 360.00	2028	\$ 707.95	\$ 336.36	\$ 1,175.00	2026
Scenario D	Capital: All properties 90% STD Oper: All properties 90% STD Some State/County Contribution 9 yr "Base Implementation"	\$ 385.45	same as 1/2 mile	\$ 580.00	2022	\$ 481.82	same as 1/2 mile	\$ 725.00	2022
Scenario D1	Capital: All properties 90% STD Oper: All properties 90% STD Some State/County Contribution 20 yr "Extended Implementation"	\$ 260.91	same as 1/2 mile	\$ 400.00	2028	\$ 326.14	same as 1/2 mile	\$ 500.00	2028
Scenario D-A2	Capital: All properties 90% STD Oper: All properties 90% STD Some Unique State/Co Contrib 9 yr "Base Implementation"	\$ 344.55	same as 1/2 mile	\$ 500.00	2022	\$ 430.68	same as 1/2 mile	\$ 625.00	2022
Scenario D1-A2	Capital: All properties 90% STD Oper: All properties 90% STD Some Unique State/Co Contrib 20 yr "Extended Implementation"	\$ 247.27	same as 1/2 mile	\$ 340.00	2028	\$ 309.09	same as 1/2 mile	\$ 425.00	2028
Scenario F	Capital: All properties 90% STD Oper: All pptides 100% STD NO State Contribution 20 yr "Extended Implementation"	\$ 310.91	same as 1/2 mile	\$ 420.00	2026	\$ 388.64	same as 1/2 mile	\$ 525.00	2026

Alternative Plan of Implementation: Phase One Only.

While the Task Force supports completion of the full RTV network, the Financial Plan contained in Part VI of the report also presents an option for the County Executive and Council: to implement Phase One of the RTV system as the Task Force has defined it, plus the entire CCT, at the outset. This would afford the County the opportunity to evaluate the benefits of the RTV system as built, before adopting a plan for the entirety of the RTV system. This would allow decision-makers to give fuller consideration to the extent to which the State will be able to contribute to funding of the balance of the RTV system in the future, when the State has had an opportunity to resolve issues relating to the restoration of the State's Transportation Trust Fund. In the event that decision-makers select this alternative, the adjusted Phase One of the RTV network would include a total of 83.8 linear miles in seven corridors, of which 60.9 miles would involve new construction¹. Based on the same capital cost estimates prepared for the entire RTV system, the Task Force estimates that the total cost of Phase One of the RTV system in base year dollars would be approximately \$1.226 billion, including approximately \$1.071 billion in direct development costs and \$154.5 million in indirect costs that will benefit the entire network but that must be incurred during development of Phase One.

With regard to the financing of those costs, the same financial structure proposed for the entire system is recommended for the development of Phase One. Capital costs would primarily be financed through the use of debt, the debt service on which would be paid by a combination of a State contribution relating to the CCT portion of the development, with the balance of costs paid by local revenues derived through a special taxing district tax. It must be clearly understood that while both Stage 1 of the CCT (9.1 miles) and Stage 2 of the CCT (5.9 miles) have been included in this alternative scope and financial plan, the actual development of Stage 2 of the CCT is subject to the availability of funds when planning and construction thereof is required to commence in the phasing of the alternative scope described herein. The Task Force also recommends that during any transitional period there be a redeployment of existing resources to provide enhanced express transit services to Germantown and Clarksburg until such time as other RTV corridors (including Stage 2 of the CCT, for example) are completed. It

¹ These corridors would include the ICC (the only corridor not involving new construction), Randolph Road, Md. 355-South, Route 29-Colesville Road, Georgia Avenue, Viers Mill Road, and the CCT. In addition to the first 9.1 miles of the CCT, this approach would also include construction of the 5.9 mile second stage of the CCT toward the end of the development period.

should also be noted that if there is any delay in construction of Stage 2 of the CCT, costs attributable to that stage will be deducted from the total capital cost. It is proposed that, in such a circumstance, the geographic scope of the special taxing district would be comprised of properties having 90% of the real property tax base of the County, both for capital and operating cost purposes. Assuming the State contribution as described above, this would mean that the uniform tax rate for all special taxing district taxpayers would reach a maximum of \$0.073 per \$100 of assessed valuation in 2022, and that the maximum tax bill for a typical residence of \$400,000 in assessed valuation would be **\$290.00** in 2022. The tax rate for a typical commercial property valued at \$250 per square foot would be **\$0.18** per \$100 of assessed valuation in 2022, and the typical tax bill for a 2,000 square foot commercial property would reach a maximum of **\$362.50** in 2022. The foregoing tax bills are stated in 2012 constant dollars.

The Task Force believes the County must move ahead to begin implementation of an RTV system. There may not be a complete picture today of exactly how much it will cost, or how it will be funded; however, the County must work to preserve its ability to implement the project in the overriding interest of the community. An investment of reasonable size now will afford the County time to work out the details of how to move forward – and will position the County to be able to implement the funding structure and approach that the Task Force proposes.

While a balanced overall approach to addressing our transportation needs is required, including but not limited to investment in road maintenance and construction as appropriate, alleviation of congestion problems, and improvement of environmental health and our quality of life requires that our community increase the capacity of existing transportation assets within the given physical limitations that we face.

This Report and the Recommendations contained herein contemplate the creation of a people-moving capacity asset as described more fully in the Report. The Task Force refers to it as an RTV network or system, with RTV standing for a sophisticated, surface level rapid transit vehicle system. These systems are frequently referred to as bus rapid transit (“BRT”) systems. However, the Task Force has deliberately elected to refer to it as an RTV system because the nature, appearance and performance of the system will be qualitatively different from what is typical of BRT systems in the United States or abroad, which do not offer transformative qualities to be considered transportation solutions of choice.

As the Recommendations contained in this Report are considered and discussed, the Task Force hopes that the general public and policy-makers will understand that while adoption of the RTV system we propose is advisable to help alleviate existing problems, it is even more essential to create future opportunities and avoid extraordinary future problems. These include intolerable congestion and the County's compromised ability to chart its own destiny in terms of the implementation of adopted land use policies, and the economic climate the County wants to create.

During its deliberations the Task Force has become aware of certain concerns about what the Task Force is proposing – and those concerns must be addressed directly. The concerns include those who prefer to see our County remain a relatively idyllic suburban community, as they believe it has been. To people holding this view, the development of a rapid transit network unleashes too much growth and development and fundamentally changes the community in which we live. Leaving to the side that the suburban place of earlier generations of Montgomery County residents has already fundamentally changed, we must also face the fact that not implementing the County's already existing growth policies will not prevent some growth from taking place and will without doubt result in increasing traffic congestion – without the attendant benefit of a vibrant and balanced economy and the tax revenues needed to maintain our services and quality of life.

There are also those who are worried about what will happen to our road system if we repurpose lanes or take more property to enable the County to build the rapid transit system being proposed by the Task Force. This concern again gives evidence of the underlying and persistent belief that by refusing to make certain changes in our transportation policies (and by continuing to treat automobiles in the same way we have for the last 60 years) we can prevent the exacerbation of our traffic congestion problems. The truth is, there are limits to how much real estate we can devote to our road system – and we must figure out how to more efficiently use that scarce resource. Often, the best way to increase capacity is to shift more people to transit.

There are also those who have raised questions about what a system with lanes dedicated to a rapid transit system will do to the technical functioning of road ways, including how vehicles will make various kinds of turns and how the safety of pedestrians will be assured. While these are issues that must be addressed, such

questions relate to specific design solutions about a myriad of specific locations. They are reasons to plan and design carefully, but not reasons to decline to build the system. Other jurisdictions have found ways, some conventional and some innovative, to address these concerns. So can Montgomery County.

Finally, there are and will be those who are concerned about the cost of the system, how the County will pay for it; who will pay for it; and whether it is prudent to make such an investment in a time of unique stress on public sector and family budgets. The Task Force has taken these questions very seriously. However, it is obvious that meaningful solutions to a serious problem that has vexed our community for more than a generation will not be solved without a significant investment. The word “investment” is thrown around too frequently in describing some kinds of expenditures. In this case, the concept applies. We will be investing in the future strength of our community.

Notwithstanding all of the foregoing, the question we should be asking is: **“what will happen if we do nothing different – and simply cling to our current approaches in the hope that things will turn out alright?”**