

WELCOMING REMARKS

*Dr. Carlos I. Pesquera, Secretary
Puerto Rico Department of Transportation and Public Works
San Juan, Puerto Rico*

Dr. Pesquera discussed how Tren Urbano reached its current status. He noted the assistance offered by the Administrator of the Federal Transit Administration, Gordon Linton, and the FTA staff in bringing Tren Urbano into reality. The Secretary indicated the importance of community participation in developing a strong local momentum in support of the project. These supporters of the project were especially important, according to the Secretary, because there were many significant impediments in the early stages. A considerable detraction was the absence of a track record in large scale rapid transit project implementation. Absent these project champions, the Secretary was doubtful the project would have advanced as far as fast and as well.

*Gordon J. Linton, Administrator
Federal Transit Administration
U.S. Department of Transportation
Washington, D.C.*

The Administrator opened by recognizing that nineteen new start projects had received full funding grant agreements since January 1993. In acknowledging the Federal government's continued commitment to transit, attention was called to the policies undergirding that continued commitment.

Transit Oriented Policies and Development

Mr. Linton discussed the importance of comprehensive planning to the success of transit infrastructure investments and the responsiveness of these investments to the common desires of a broad national cross section of urban stakeholders. The common desires, as revealed in Visual Preference Surveys conducted throughout the United States, included:

- compact communities
- open space
- green lands and
- pedestrian oriented development with adequate street lighting.

The importance of active community involvement in the planning and decision making processes leading to the implementation of transit infrastructure investments was

emphasized. Examples were cited from Corpus Christi Texas.

Transit supportive plans and policies were examined relative to their importance in achieving the success of the project and leading to the realization of livable communities. These plans and policies included:

- mixed use developments complementing passenger station and terminal areas,
- the implementation of traffic signal preemption and coordination to minimize delays to light rail systems operating in mixed traffic,
- on-site amenities and services (e.g., dry cleaning, day care, commercial facilities) in station complexes, and
- transit and pedestrian access coordination.

Examples were drawn from successful international and domestic urban transit systems including Cedar Rapids Iowa, Portland Oregon and Asian and European transit systems.

Mr. Linton indicated that future Federal investments in transit infrastructure would emphasize and benefit those communities where comprehensive policies consistent with transit success and livable community objectives were encouraged.

Joint Development

The importance of deficit reduction and balancing the budget was discussed, along with the increased requirement for federal transit investment effectiveness. Joint development was introduced as a means to capture and to leverage the benefits resulting from access to transit infrastructure finance and further enhance the transit infrastructure. The historic evolution and refinement of Joint Development was discussed, beginning with the Urban Mass Transit Act of 1966, its expansion in the Urban Mass Transit Act of 1974, and resulting in the Intermodal Surface Transportation Efficiency Act of 1991 with an emphasis on the preservation of urban transit corridors.

Joint development was presented as a means to use Federal real estate investments to generate added revenues for transit infrastructure. The primary instruments of joint development as discussed included:

- sale or lease of air rights
- benefit assessment fees
- equity partnerships

- zoning bonuses
- leasing arrangements

Case studies illustrating these approaches were discussed in the Washington, D.C. Metro, the Miami PRT and the Los Angeles Gateway projects.

Mr. Linton went on to consider the policies which FTA was currently pursuing to promote joint development as a transit infrastructure resource. These policies were:

- Eliminating barriers to joint development such as the property disposition rule. Mr. Linton indicated that FTA was going to conduct a pilot assessment in which the property disposition rule would be relaxed on projects in Washington, D.C. and Baltimore, Maryland.
- Documenting the best practices concerning transit joint development projects.
- Updating FTA planning and project development guidelines to promote joint development as an element in project evaluation and implementation.
- Considering legislative changes to address the payback provisions of the common grant rule.

The Administrator emphasized the need to leverage Federal transit investments through the use of public-private joint developments. He noted that in his travels through Asia, he was impressed with the extent to which joint development contributes to the cost recovery and income from transit infrastructure investments.

Turnkey Project Delivery

The Administrator reviewed the Intermodal Surface Transportation Efficiency Act of 1991 and the Congressional instruction for FTA to consider the Turnkey Project Development process as a means to save time, reduce project costs, and encourage the development of technology in transit infrastructure projects. The Congressional mandate for the five FTA Turnkey Demonstration projects was discussed as an effort to monitor and document the performance transit turnkey demonstration projects. Turnkey was defined as a process by which infrastructure projects were procured to include their design, construction, and sometimes operation as a single procurement. Mr. Linton highlighted the importance of assuring the participation of small, mid-sized, minority, and disadvantaged businesses in turnkey procurements and project development processes.

The importance of time and cost savings as factors in turnkey project development were considered. Mr. Linton recognized the dependence of those performance factors on the management of the risk, schedule and project control for the project. It was recognized that turnkey offered the

potential to achieve innovations in the finance and technologies of transit infrastructure projects.

The management and the allocation of risks between the public owner and the private contracting parties was mentioned as an important procurement consideration. The Administrator noted that FTA had recently revised its "Third Party Contract Guidelines" to encourage and facilitate the development of turnkey projects. He further noted that in March 1996, President Clinton signed the Federal Acquisition Reform Act of 1996, explicitly endorsing the turnkey approach for Federal infrastructure construction projects.

The Administrator observed that turnkey development encouraged the participation of the private sector in the finance of public infrastructure projects. The importance of broad industry participation was recognized, beginning with full and open competition. The concerns of small and minority businesses were recognized particularly as related to bid shopping by prime contractors subsequent to their selection. Mr. Linton referred to the FTA policy that small and minority business subcontractors must be identified during the prequalification and request for proposals stages of the turnkey procurement. It was reported that BART had been very successful with the prequalification identification of small and minority business enterprises in the San Francisco Airport Extension turnkey demonstration project.

Mr. Linton closed by emphasizing that transit infrastructure investments were vital and important to the nation's well being. Joint development was acknowledged as an impetus to leverage federal infrastructure investments with coordinated private and public facilities and developments. In achieving the potentials for transit investments the public expected that transit:

- be safe and secure
- achieve high standards of quality assurance and quality control
- demonstrate effective partnerships involving the public and the private sectors
- be cost effective
- achieve broad based participation from the public and private sectors

*Honorable Pedro J. Rossello
Governor of Puerto Rico
San Juan, Puerto Rico*

Governor Rossello extended the Puerto Rican government's warm welcome to the Workshop participants. He reviewed the accomplishments during the previous four years in improving the Commonwealth's infrastructure and introduced plans for the next four years.

Over the next four years, Puerto Rico's goal is to achieve a world class transportation system, defined as:

- an adequate and well maintained infrastructure
- intelligent intermodal operations
- environmentally sound and socially responsive development

The Governor observed that an adequate infrastructure was essential to economic development. The development of an adequate infrastructure requires a public/private partnering as exemplified by the 1993 Infrastructure Council's Strategic Plan which proposed \$2.6 billion in surface transportation projects. An impressive list of transportation projects was announced totaling \$1 billion completed or under development by 1997, with half of this amount being for transit improvements.

The Governor continued noting that about a third of the island's population, and more than a third of its jobs, are located in the San Juan metropolitan area. Eighty per cent of the jobs in the San Juan region were in the urban core where densities are comparable to Manhattan. The San Juan metropolitan area consists of thirteen municipal governments within an area of approximately 400 square miles. Congestion mitigation was recognized as a priority concern.

Stressing the importance of traffic operational improvements and road infrastructure maintenance for congestion relief, the Governor noted that over the next 15 years the San Juan area expects a twenty percent growth in population and a forty-five percent growth in person trips per day, above the current 3.2 million person trips per day. The highway and road systems cannot be expanded sufficiently to accommodate this projected growth. San Juan transit, Tren Urbano, is vital to the development of an intermodal transportation system to maintain the region's mobility and economic development. The Governor repeatedly stressed the importance of an integrated intermodal regional transportation solution for the San Juan region with Tren Urbano as the backbone to optimize intermodality.

In his remarks, the Governor expanded on the requirement for intermodalism by noting that half of Tren Urbano's riders would access the system's stations by bus and taxi (publico). He observed the importance of safe and attractive access, and coordination and integration of the modes. The efforts now under way to reconfigure the bus route system to achieve intermodal coordination and integration in conjunction for Tren Urban was described. Continuing, Governor Rossello discussed the expansion of the express bus system and the transit system architecture designed around thirteen transit centers to serve as the hubs for interline transfers. He also referred to his administration's goal for a world class transportation system,

noting that the transportation system had to be intelligent with bus and street traffic signal coordination and passenger information systems. The January 1994 opening of the Puerto Rico Highway and Transportation Authority's Transportation Control Center was recognized as well as efforts currently under way to plan for San Juan's Intelligent Transportation System.

The third requirement in the Puerto Rican government's objective for a world class transportation system was a system which is environmentally sound and socially responsible in design and development. In achieving these goals, the need to optimize community participation and to create opportunities for social development and economic growth were cited. Achieving society's environmental goals was recognized as a priority. It was acknowledged that growth and the environment must be balanced in Puerto Rico, where land is limited in supply. The Governor considered a number of specific instances where environmental preservation and mitigation were integrated into transit system projects.

Governor Rossello also described Quality of Life Transit Enhancements that have been pioneered in Puerto Rico. These include making beach access and safe ocean surfing accessible to persons in wheelchairs.

In Tren Urbano, the Governor acknowledged the exemplary efforts to achieve community participation in station area planning. Residents and communities near stations have been actively engaged in station area planning with the result that ninety-four percent of station area residents approve the project.

Further expanding on the environmental, social and economic attributes of the project, the Governor discussed its urban redevelopment and urban growth attributes. While accepting the short term impetus of the \$1.2 billion Phase 1 Tren Urbano implementation (e.g., \$ 800 million in earned income), the Governor stressed that Tren Urbano's primary benefits were large scale redevelopment and community regeneration. In particular, the Governor expected that as a consequence of Tren Urbano, the livability index and the quality of life for residents of the San Juan metropolitan region will significantly improve.

Considering the urban development and community redevelopment potentials of the Tren Urbano project, Governor Rossello discussed a number of Tren Urbano Phase One station sites and the related urban development/station area developments that were planned in conjunction with Tren Urbano. In particular, a number of large and moderate scale joint development projects were discussed with an emphasis on how they complemented the surrounding area development and acted as a catalyst in the achievement of development and redevelopment master plans.

The Governor's remarks concluded with a preview of the presentation which the Commonwealth had planned

for the Year 2004 Olympic Site Selection Committee (scheduled to visit Puerto Rico in November 1996). The Commonwealth's Olympic Game Bid is predicated on the

World Class Infrastructure and transportation system of which the Tren Urbano full implementation is a central and essential component.