



NORTHEAST OHIO AREAWIDE COORDINATING AGENCY

MEMORANDUM

TO: NOACA Board of Directors

FROM: Grace Gallucci, Executive Director

DATE: December 1, 2017

RE: **Resolution 2017-049; Hyperloop Feasibility Study**

ACTION REQUESTED

The Board of Directors is asked to authorize the identification of NOACA funding in an amount not to exceed \$600,000 to allow the Executive Director to pursue participation in a Public-Private-Partnership (P3) agreement and seek professional services to conduct a feasibility study for a multi-regional Hyperloop transportation corridor.

The Planning and Programming Committee and Finance and Audit Committee recommended this action.

BACKGROUND

There has been significant worldwide research and development regarding the development of a Hyperloop transportation system. The Hyperloop concept operates by sending specially designed "capsules" or "pods" through a steel tube maintained at a partial vacuum. The Hyperloop system allows for the transportation of people and freight at a fraction of the time currently available through other transportation modes, notably cars and public transit. The Hyperloop concept is being pursued by several private interests looking to develop initial travel corridors, in coordination and cooperation with the United States Department of Transportation.

NOACA has been approached by a private company with interest in pursuing implementation of a multi-regional Hyperloop corridor, inclusive of the northeast Ohio NOACA area. The company is interested in working with NOACA through a P3 arrangement to engage in a feasibility study that would examine potential alternatives and cost. The actual corridor has yet to be finalized, as several options may be viable. These options will be discussed at the meeting.

The preliminary estimate for the feasibility study is \$1.2 M, with the expectation that the cost would be shared by the P3 partners, with the NOACA share being commensurate with the other private entities, in an amount not to exceed 50%, or \$600,000. Staff is proposing that the NOACA share be funded with available NOACA capital and planning programs' project savings and uncommitted previous carry forward. Funding would first be prioritized from the Transportation Alternatives (TA) capital program and Congestion Mitigation and Air Quality (CMAQ) planning program, which by federal law must be spent on projects that support alternative modes of transportation and not traditional roadway and bridge preservation projects. CPG program funding and staff in-kind match will be used to supplement these programs if needed. The final budget and funding plan for the feasibility study will be presented to the committee for approval along with the contract for services.

To date, there has been demonstrated interest by many parties including manufacturers, philanthropy, research, academia and other innovative government organizations in this venture focusing on the greater Cleveland area. We will continue to work toward additional public and private partners to lessen the financial commitment and leverage additional support.

FINANCIAL IMPACT

The NOACA financial commitment to the feasibility study would not exceed the total amounts contributed by its P3 partner(s) or 50%. That amount is currently estimated to be no more than \$600,000, recommended to be funded through NOACA capital and planning programs' project savings and uncommitted carry forward. As such, there would be no financial impact to current projects in the existing TIP or Overall Work Program (OWP).

CONCLUSION/NEXT STEPS

With Board approval, the next steps are the development of a P3 model, including the identification of the team members and funding structure, followed by the preparation of the feasibility study scope of services, and issuance of a competitive request for proposals.

The feasibility study contract will be brought to the Finance and Audit Committee and the Board at a future time for approval. The creation of the P3, inclusive of the partner agreement and terms must be approved by the Board prior to any procurement activity or funding disbursement.

GG/r/2981b

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE
NORTHEAST OHIO AREAWIDE COORDINATING AGENCY**

WHEREAS, the Northeast Ohio Areawide Coordinating Agency (NOACA) is the Metropolitan Planning Organization (MPO) for the counties of Cuyahoga, Geauga, Lake, Lorain, and Medina, and the City of Cleveland; and the areawide water quality management agency for the same region; and

WHEREAS, there has been significant worldwide research and development regarding the development of a Hyperloop transportation system; and

WHEREAS, the Hyperloop system allows for the transportation of people and freight at a fraction of the time currently available through other transportation modes, notably cars and public transit; and

WHEREAS, the Hyperloop concept is being pursued by several private interests looking to develop initial travel corridors, in coordination and cooperation with the United States Department of Transportation; and

WHEREAS, NOACA has been approached by a private company interested in working with NOACA through a P3 arrangement to engage in a feasibility study that would examine potential alternatives and cost of a multi-regional Hyperloop corridor; and

WHEREAS, the preliminary estimate for the feasibility study is \$1.2 M, with the expectation that the cost would be shared by the P3 partners, with the NOACA share being commensurate with the other private entities, in an amount not to exceed 50%, or \$600,000 recommended to be funded through NOACA capital and planning programs' project savings and uncommitted carry forward. As such, there would be no financial impact to current projects in the existing TIP or Overall Work Program (OWP); and

WHEREAS, The Planning and Programming and Finance and Audit Committees reviewed and recommended pursuing a P3 agreement for a Hyperloop Feasibility Study.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Northeast Ohio Areawide Coordinating Agency, consisting of forty five principal officials serving general purpose local governments throughout and within the counties of Cuyahoga, Geauga, Lake, Lorain, Medina, and the City of Cleveland that:

Section 1: The Executive Director is authorized to pursue participation in a Public-Private-Partnership (P3) agreement and seek professional services to conduct a feasibility study for a multi-regional Hyperloop transportation corridor

Section 2: The NOACA financial commitment to the feasibility study is not exceed the total amounts contributed by its P3 partner(s) or 50%. That amount is currently estimated to be no more than \$600,000.

Section 3: The Executive Director is authorized to transmit certified copies of this resolution to appropriate federal, state, and local agencies.

Certified to be a true copy of a Resolution of the Board of Directors of the Northeast Ohio Areawide Coordinating Agency adopted this 8th day of December 2017.

Secretary:  _____

Date Signed: 12/8/2017

