House Finance Committee Rhode Island State House 82 Smith St Providence, RI 02903

H6096 saves money by canceling an expensive bus project that bus riders don't want

We, the Kennedy Plaza Resilience Coalition, are writing in strong support of H6096 by Rep. Sanchez. Unlike most bills before you, H6096 will <u>uncontroversially save money</u>, money which will then become available to potentially be allocated to other projects and services. H6096 does this without raising taxes or fees in any way. And H6096 is supported by the majority of bus riders, who are the constituency that is directly served by public transit spending. The sole effect of H6096 is to block further spending after September on the unwanted and unpopular plan to relocate the Kennedy Plaza bus hub; if passed, H6096 would require RIPTA to exercise its option to terminate the current contract about the hub move, thus saving close to \$14 million that RIPTA would otherwise have to spend on this troubled project which is unlikely to ever be completed.

We urge you to pass this bill, and make taxpayers and bus riders happy while creating more room in the state budget.

The hub relocation project is one of the most expensive projects in the state. The RIPTA board's finance subcommittee was told in December 2022 that relocating the hub out of Kennedy Plaza was expected to cost \$200-250 million. No one knows of any clear way to come up with this much money; a few people talk vaguely about borrowing money, but there is no clarity on how the money would be borrowed or, more importantly, how we could afford repaying the principal and interest. Also, the \$200-250 million figure was only an estimate which is now years old; as we will point out later, costs may well increase by the time the project is completed, if it ever is completed.

Currently RIPTA has a \$16.9 million contract with Next Wave to do site selection, public engagement and initial design for a new bus hub building. That contract, which includes provisions allowing RIPTA to terminate it at any time, has been in effect for over a year, but not much has been done. For example, there has been hardly any public engagement (perhaps because, as Next Wave acknowledges in its latest report, many people would rather keep the hub in Kennedy Plaza). Because most of the contract's six tasks have not even been started yet, about \$14 million (or slightly more) of that \$16.9 million would be saved if RIPTA exercises its option to terminate the contract. The \$16.9 million contract is being paid for out of a general-obligation bond from the 2014 election ballot, but terminating the contract would allow the bond money to be used for the purpose that the 2014 ballot said the money would be used for: "enhancements and renovations to mass transit hub infrastructure throughout the state." Relocating the Kennedy Plaza bus hub is not an enhancement or a renovation and it is certainly not "throughout the state", so terminating this contract would allow the money to go to beter uses.

If the \$16.9 million contract is continued to its completion, the contract says that the tentative assumption is for Next Wave to be hired for a followup contract to complete the design as well as building, operating, and maintaining the new hub. Current documents indicate that if this followup contract is signed, it will have a severe lack of cost controls: it will have a guaranteed profit margin for Next Wave on top of whatever costs Next Wave presents, and there will be no guaranteed

¹ https://www.providencejournal.com/story/news/politics/2024/01/30/new-ripta-bus-hub-moves-forward-but-no-word-on-where-it-will-go/72408523007/

maximum price. So the total cost may well be even more than the \$200-250 million estimate from a few years ago.

RIPTA is in a bad financial situation, and neither RIPTA nor the state can afford this. It's better to terminate this unwise and unwanted deal and save the \$14 million.

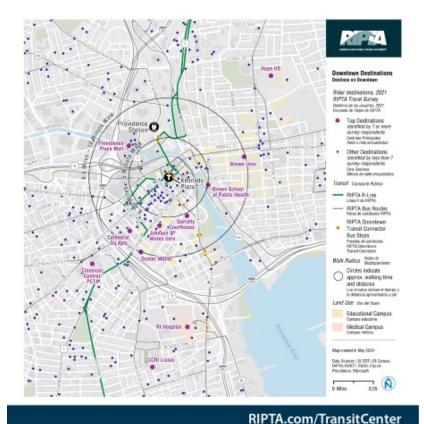
Renovating Kennedy Plaza instead so that it is clean, safe and efficient would be much cheaper, and would help both bus riders and many other Rhode Islanders.

Next Wave is proposing to move the bus hub from Kennedy Plaza to one of two locations which are adjacent to the Providence Amtrak train station. But a map that Next Wave themselves produced shows that their proposed locations are not near where bus riders want to go. The biggest cluster in the whole state of desired destinations for bus riders is right next to Kennedy Plaza, directly to Kennedy Plaza's south. Next Wave's proposed sites are in a place which is a considerable ways to the north. The sites Next Wave are proposing are a 2000-foot uphill walk to the north of Kennedy Plaza, a much longer distance than people normally have to walk between bus stops. You can see in the map below that the area around the Providence Station isn't as close to bus riders' preferred destinations as Kennedy Plaza is. See the small blue dots and large purplish circles on the map, which cluster just to the south of Kennedy Plaza.



Where are RIPTA riders traveling to in Providence? Downtown Destinations

¿A dónde viajan los usuarios de RIPTA en Providence? Destinos en Downtown



If the hub is moved to one of Next Wave's proposed sites, many people who currently can take a single bus ride to their downtown destinations will instead have to go to the new hub site and transfer to a second bus, causing delays. Or they will have to walk across the busy, highway-like Memorial Boulevard.

This hub relocation is unwanted and doesn't make sense from a public transit point of view. Kennedy Plaza is the most central location and it's close to the main streets that buses use in Providence, as well as to the highway. As a transit project, this effort is not well thought out and is being pushed by people who don't care for public transit. That's no way to make a sensible decision.

Please listen to bus riders and stop wasting money on this, by passing H6096.

Randall Rose, for the Kennedy Plaza Resilience Coalition.