

2030 Transit Corridor System Plan

Implementation Scenarios
and
Preliminary Financial Results

Metropolitan Transit Commission
October 25, 2006



Background

- Updating 2025 Transit Corridor System Plan adopted in 2002

- Utilizing LPA's for each corridor adopted by the MTC from May to Sept.
 - Phased implementation in several corridors
 - Some phases completed beyond 2030

- MTC Action on November 15th:
 - Adopt revised Transit Corridor System Plan reflecting corridor LPA's
 - Adopt implementation plan reflecting when corridor investments would be made
 - Adopt long term financial plan for the transit system based upon implementation plan

Key Considerations

- Reduced number of corridors eligible for FTA New Starts funding
 - Possibility of funding under new Small Starts Program in 2008 and beyond

- Increased construction cost estimates based upon South Corridor experience
 - Higher cost of materials (steel, cement)
 - Real Estate costs

- Additional debt financing and longer time required to complete all corridors
 - Must comply with adopted Debt Policies on Ending Balance and Debt Coverage
 - City Finance must complete a review of assumed borrowings

Implementation Scenarios

- Prepared four separate implementation scenarios
- All four reflect early implementation of Northeast Corridor LRT extension
 - Most expensive investment project
 - Appears to meet FTA New Starts Criteria
 - Greatest ridership potential
 - Logical extension of first investment in South Corridor
- Scenarios reflect different timing of investments in other corridors

Key Financial Assumptions

Ridership 51.2 million in 2030

Inflation 3% per year

Capital Escalation 4% per year

Sales Tax Growth Rate 5.5-6.0% range; 5.75% assumed

Operating Costs

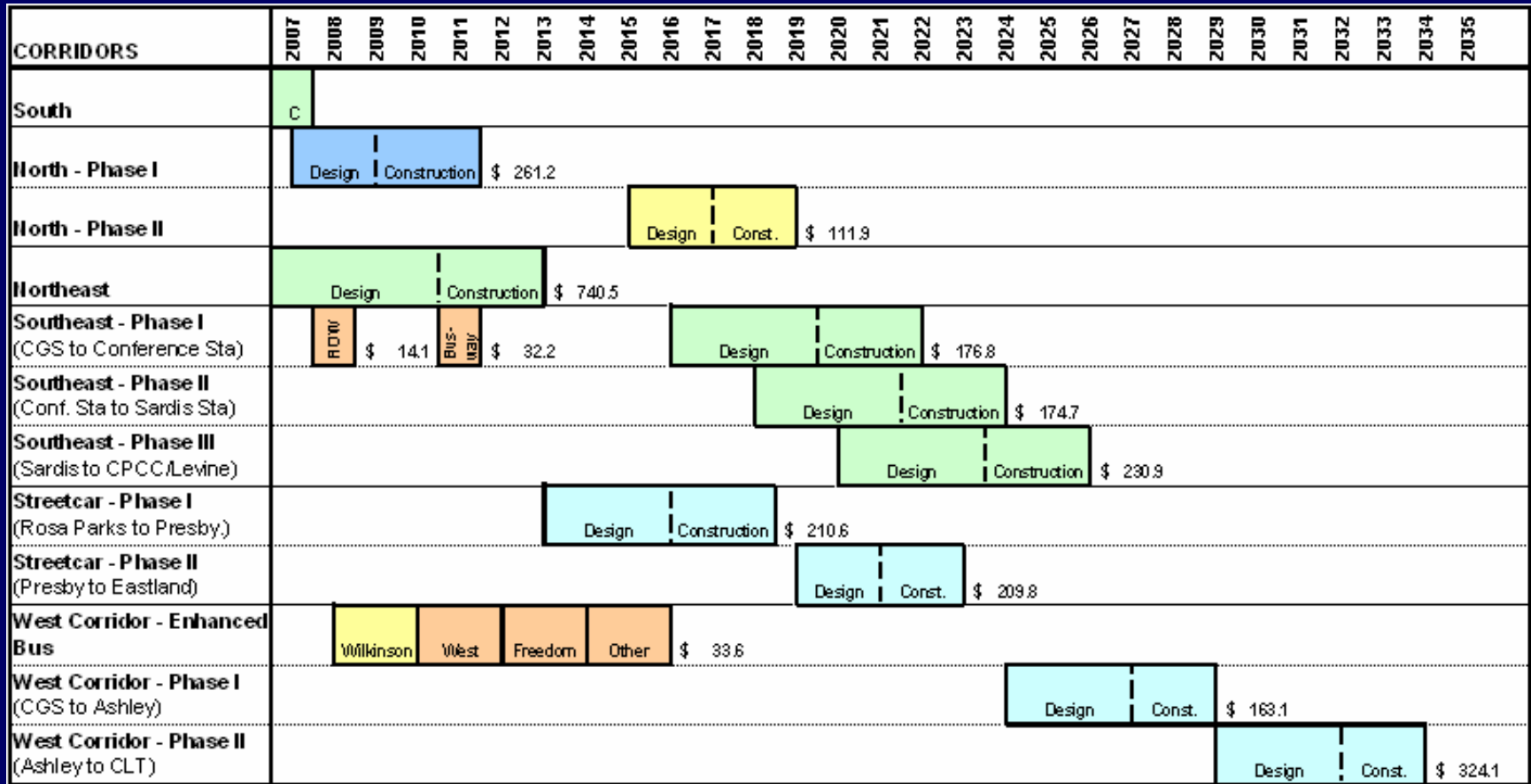
Capital Costs

Revenues

Policy Variables

- Unrestricted Fund Balance of \$100 Million
- Net Debt Service Coverage Ratio of 1.15
(Operating Balance/Debt Service)
- Gross Debt Coverage Ratio of 3.00
(Annual Sales Tax/Annual Cumulative Debt Service Cost)

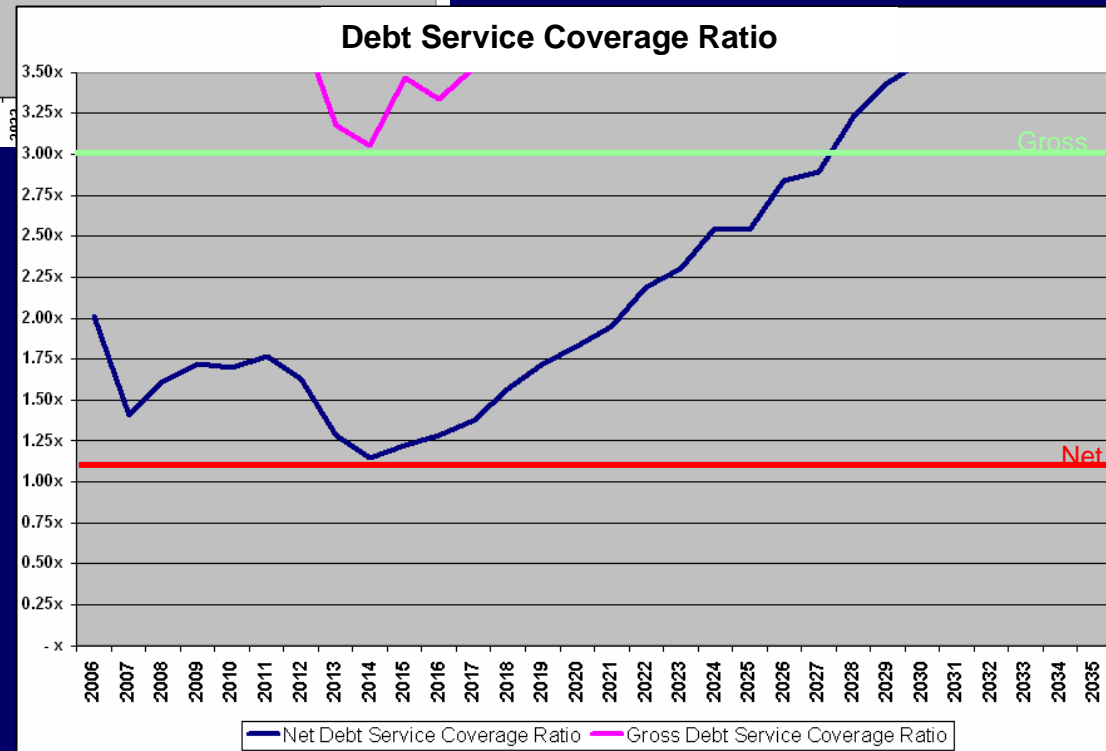
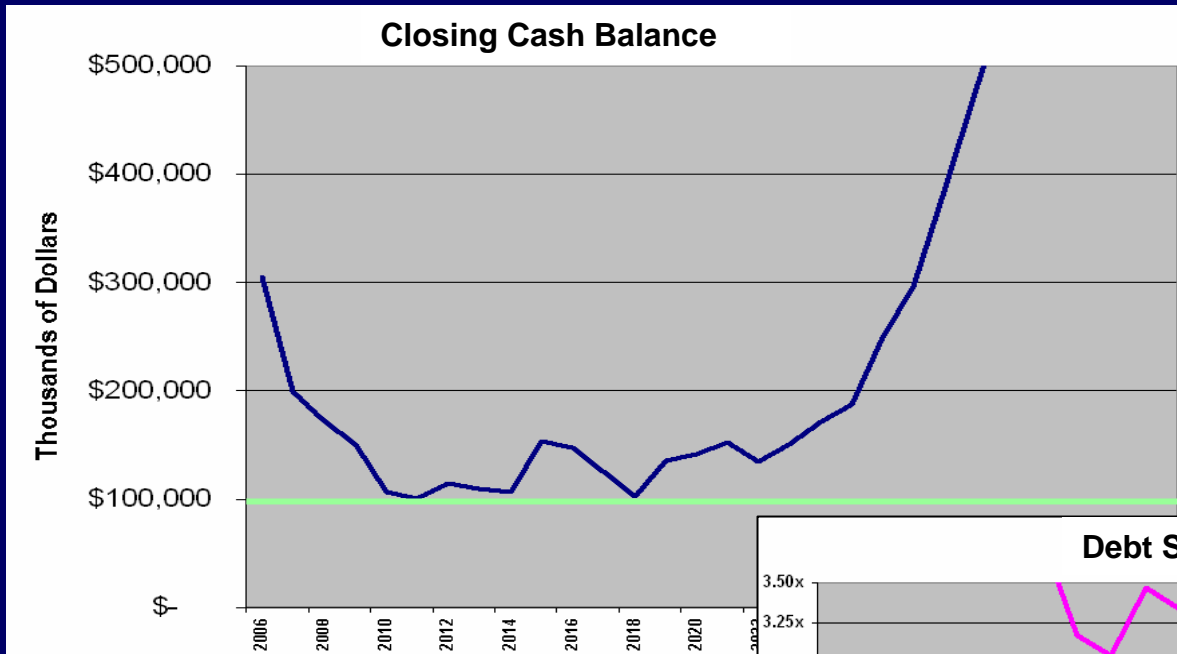
2030 Transit Corridor System Plan – Alternative A



| Legend | Funding Strategy |
|-------------|--|
| Light Green | Federal 5309 New Starts |
| Light Blue | Federal Exempt Funds (Maximum of \$25 Million) |
| Light Cyan | Federal Small Starts (Maximum of \$75 Million) |
| Yellow | Other Federal |
| Orange | CATS Funding |



2030 Transit Corridor System Plan – Alternative A



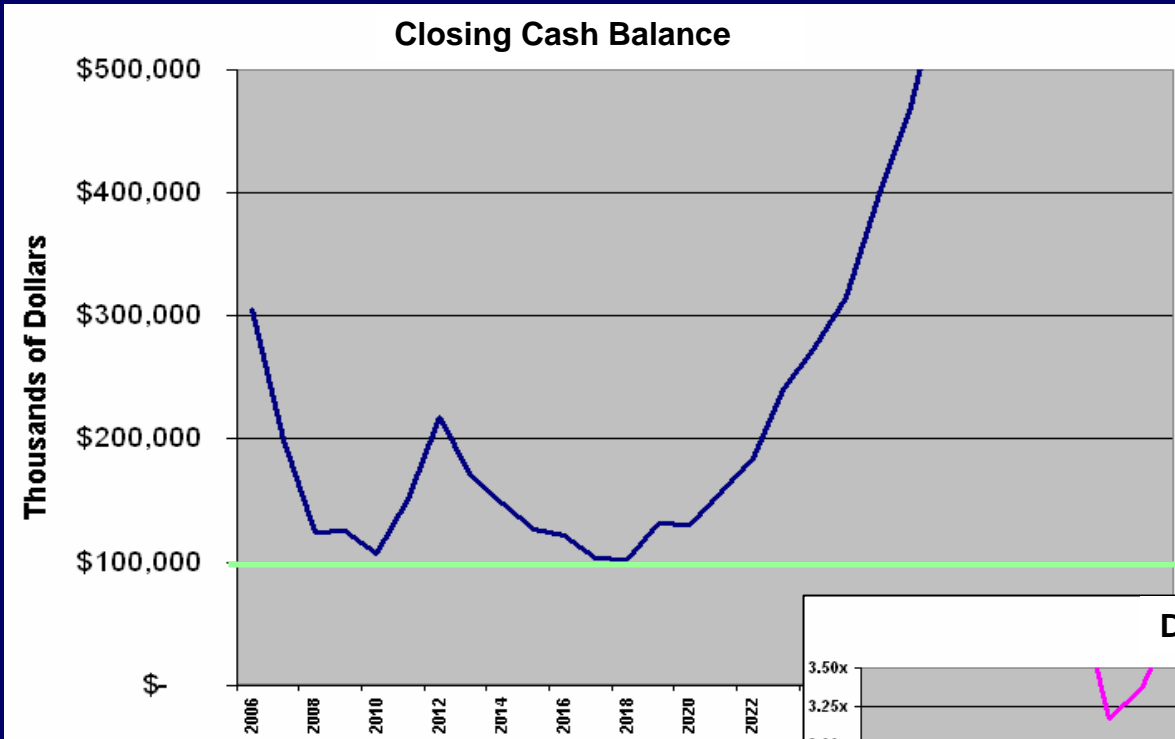
2030 Transit Corridor System Plan – Alternative B

| CORRIDORS | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | |
|--|------|------|---------|--------|-----------|--------------|---------|--------------|------|------|------|------|------|------|--------|--------------|------|--------|--------------|--------|--------------|--------------|------|------|------|------|------|--------|--------|--|
| South | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| North - Phase I | | | | | | | Design | Construction | | | | | | | | | | | | | | | | | | | | | | |
| North - Phase II | | | | | | | | | | | | | | | Design | Const. | | | | | | | | | | | | | | |
| Northeast | | | | Design | | Construction | | | | | | | | | | | | | | | | | | | | | | | | |
| Southeast - Phase I (CGS to Conference Sta) | | ROW | \$ 14.1 | | Bus-lane | \$ 32.2 | | | | | | | | | | | | Design | Construction | | | | | | | | | | | |
| Southeast - Phase II (Conf. Sta to Sardis Sta) | | | | | | | | | | | | | | | | | | | | Design | Construction | | | | | | | | | |
| Southeast - Phase III (Sardis to CPCC/Levine) | | | | | | | | | | | | | | | | | | | | | Design | Construction | | | | | | | | |
| Streetcar - Phase I (Rosa Parks to Presby.) | | | | | | | | | | | | | | | Design | Construction | | | | | | | | | | | | | | |
| Streetcar - Phase II (Presby to Eastland) | | | | | | | | | | | | | | | | | | | | | | | | | | | | Design | Const. | |
| West Corridor - Enhanced Bus | | | | | Wilkinson | West | Freedom | Other | | | | | | | | | | | | | | | | | | | | | | |
| West Corridor - Phase I (CGS to Ashley) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| West Corridor - Phase II (Ashley to CLT) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

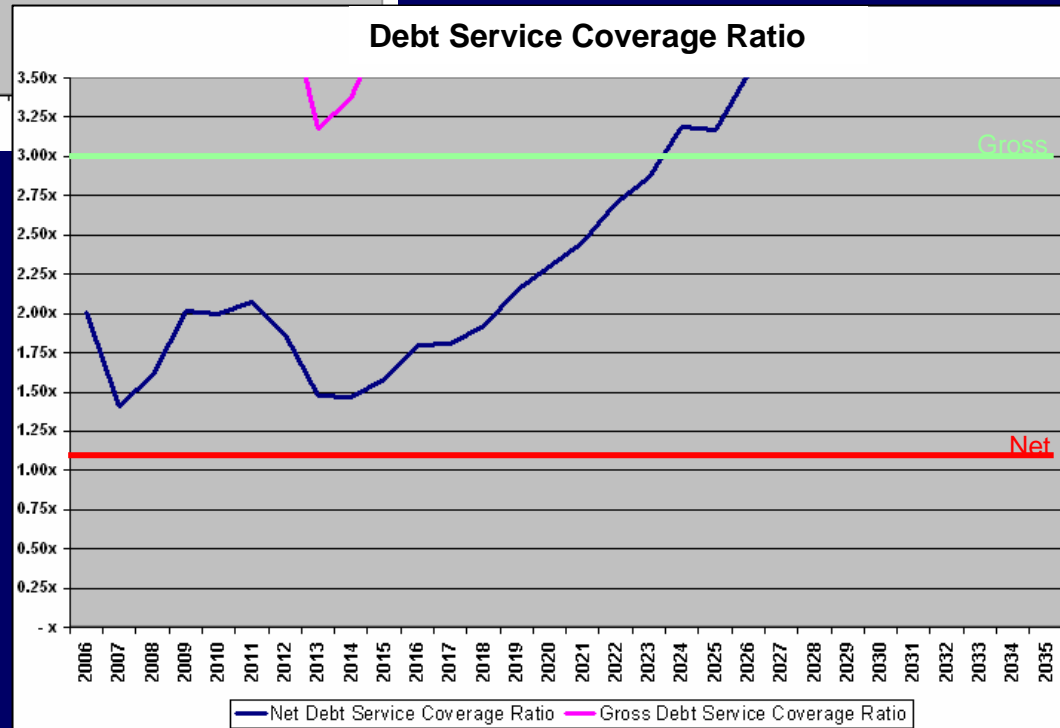
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2030 Transit Corridor System Plan – Alternative B



Unencumbered Balance



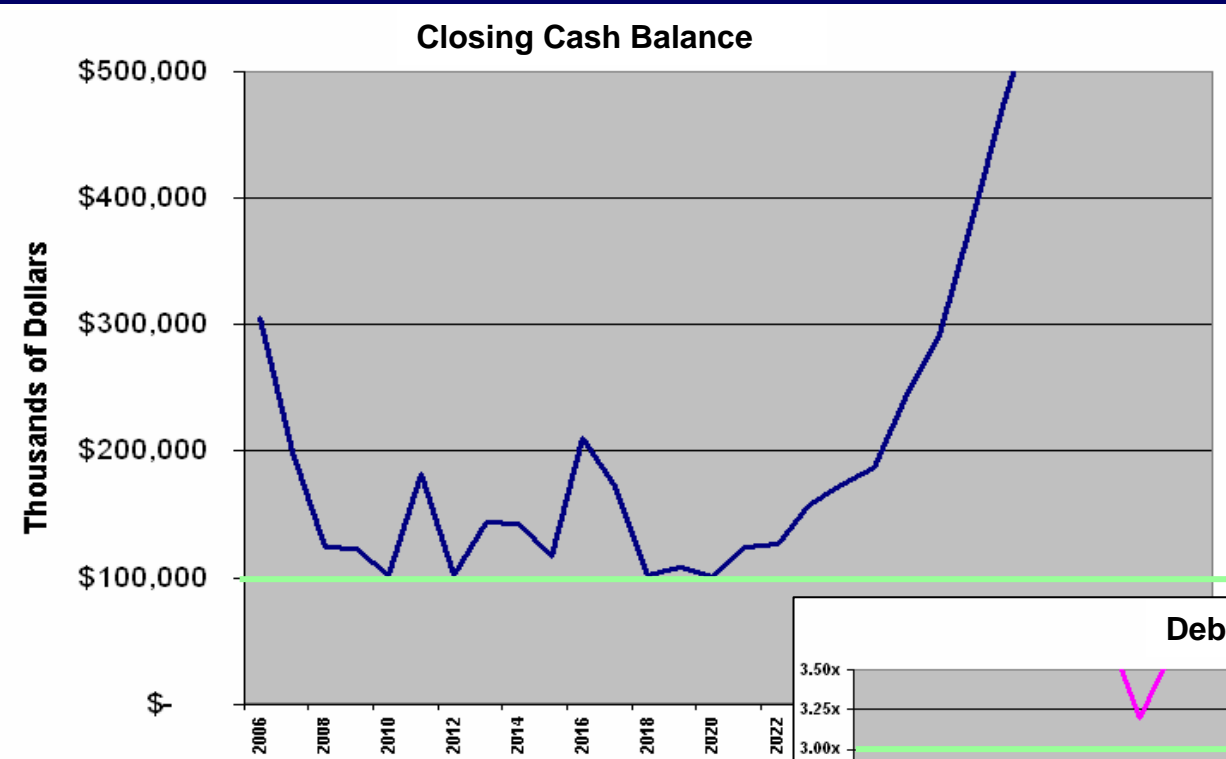
2030 Transit Corridor System Plan – Alternative C

| CORRIDORS | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 |
|--|------|------|-----------|--------------|--------------|---------|------|--------|--------------|------|------|--------|--------------|--------------|--------------|------|------|------|--------|--------|------|------|------|--------|--------|------|------|------|------|
| South | C | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| North | | | | | | | | Design | Construction | | | | | | | | | | | | | | | | | | | | |
| Northeast | | | Design | Construction | | | | | | | | | | | | | | | | | | | | | | | | | |
| Southeast - Phase I (CGS to Conference Sta) | | ROW | \$ 14.1 | | Bus- Main | \$ 32.2 | | | | | | Design | Construction | | | | | | | | | | | | | | | | |
| Southeast - Phase II (Conf. Sta to Sardis Sta) | | | | | | | | | | | | | Design | Construction | | | | | | | | | | | | | | | |
| Southeast - Phase III (Sardis to CPCC/Levine) | | | | | | | | | | | | | | Design | Construction | | | | | | | | | | | | | | |
| Streetcar - Phase I (Rosa Parks to Presby.) | | | | Design | Construction | | | | | | | | | | | | | | | | | | | | | | | | |
| Streetcar - Phase II (Presby to Eastland) | | | | | | | | | | | | Design | Const. | | | | | | | | | | | | | | | | |
| West Corridor - Enhanced Bus | | | Wilkinson | West | Freedom | Other | | | | | | | | | | | | | | | | | | | | | | | |
| West Corridor - Phase I (CGS to Ashley) | | | | | | | | | | | | | | | | | | | Design | Const. | | | | | | | | | |
| West Corridor - Phase II (Ashley to CLT) | | | | | | | | | | | | | | | | | | | | | | | | Design | Const. | | | | |

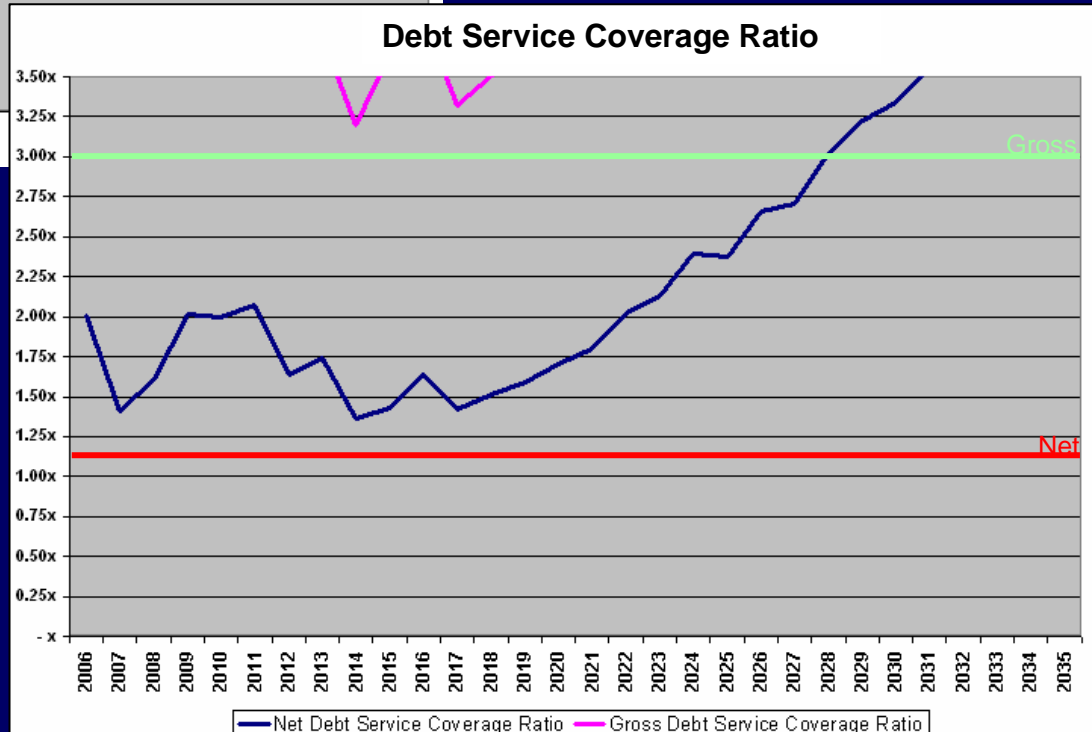
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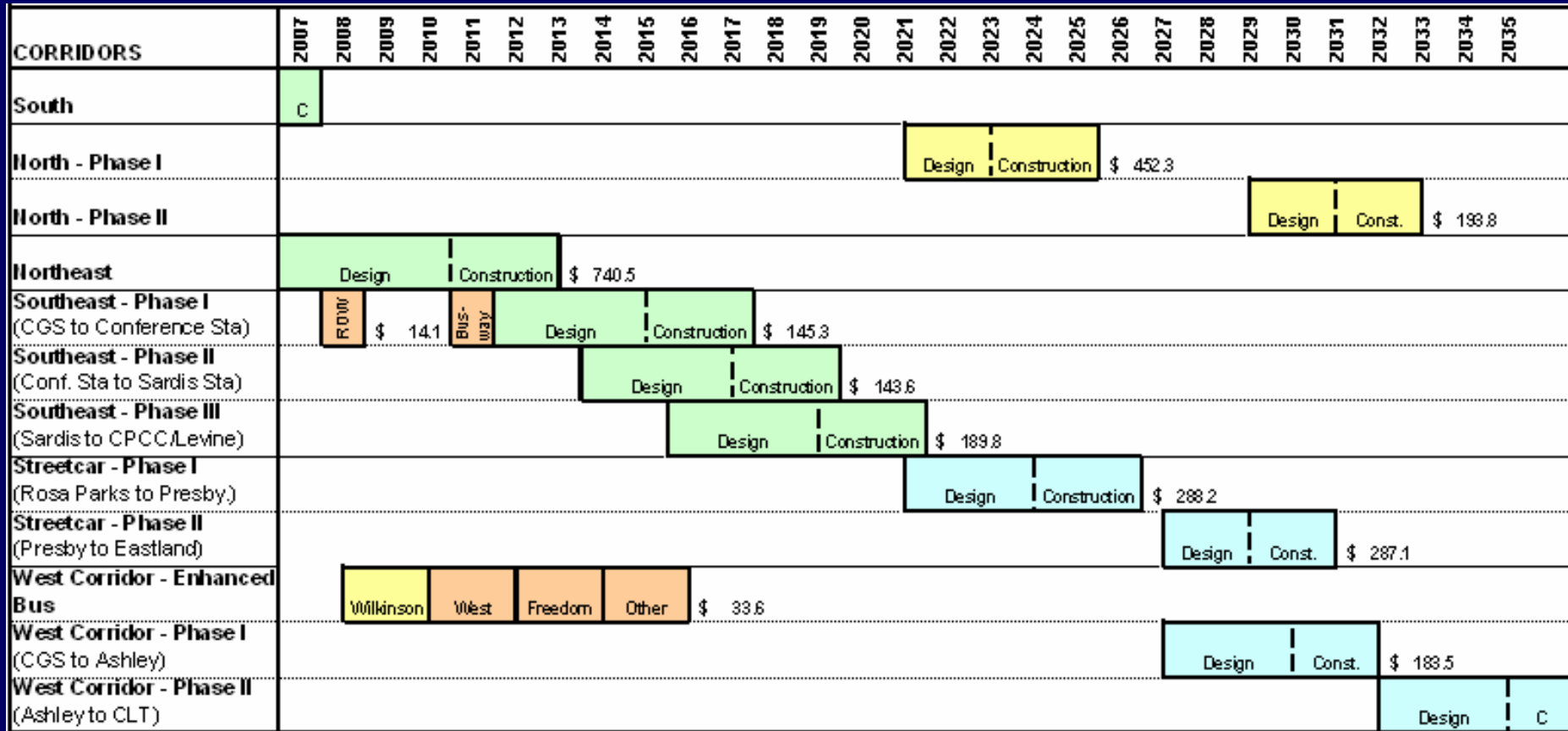
2030 Transit Corridor System Plan – Alternative C



Unencumbered Balance



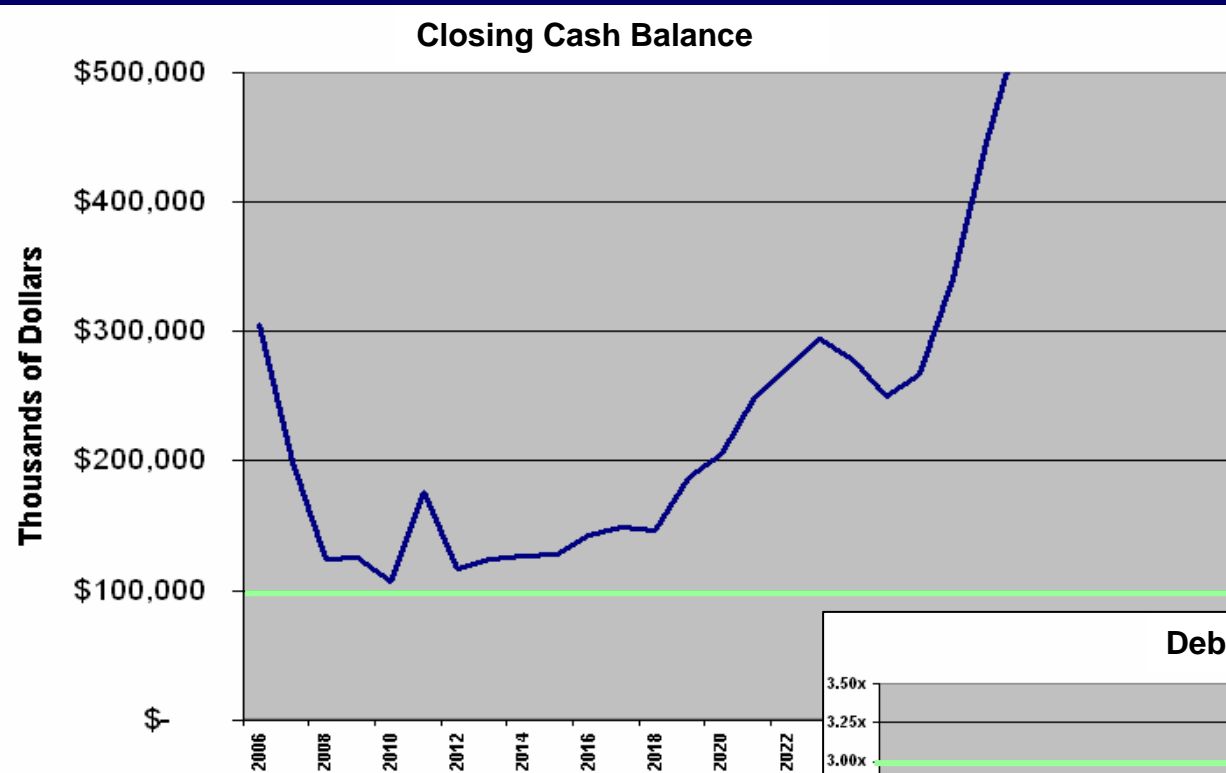
2030 Transit Corridor System Plan – Alternative D



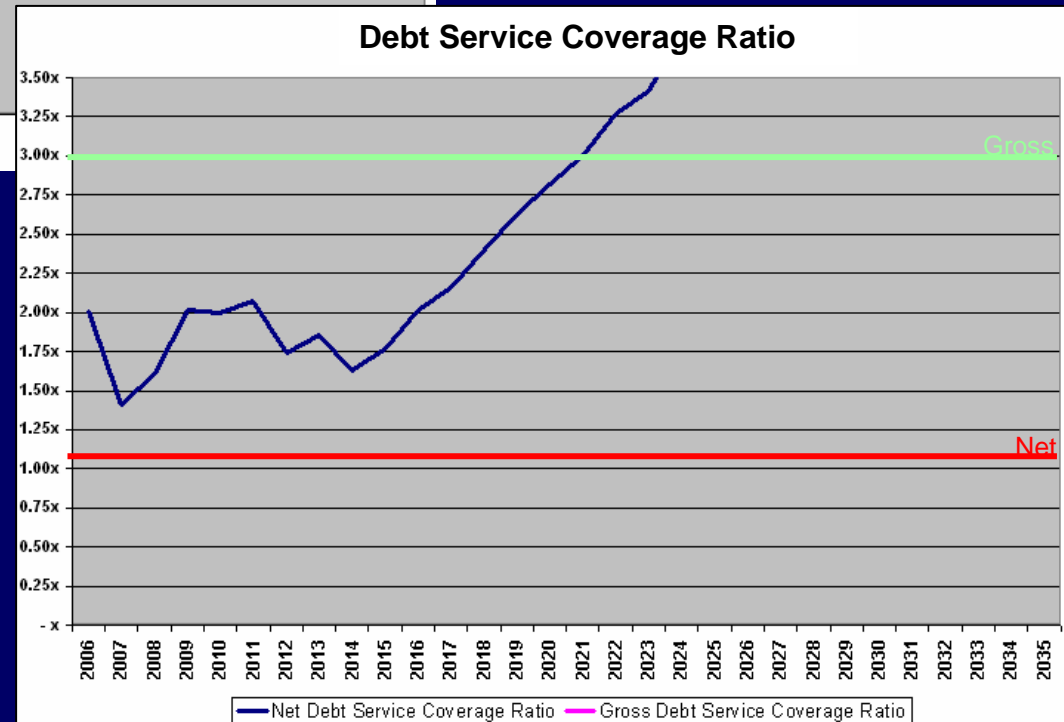
| Legend | Funding Strategy |
|--------|--|
| | Federal 5309 New Starts |
| | Federal Exempt Funds (Maximum of \$25 Million) |
| | Federal Small Starts (Maximum of \$75 Million) |
| | Other Federal |
| | CATS Funding |



2030 Transit Corridor System Plan – Alternative D



Unencumbered Balance



Summary of Financial Results for Corridor Implementation Scenarios

PRELIMINARY

(Millions of dollars)

| | Alternative | | | |
|--|----------------|----------------|----------------|----------------|
| | A | B | C | D |
| Capital Program Summary (FY2006-2035) | | | | |
| <u>Capital Expenditures</u> | | | | |
| Corridor Capital Costs | \$3,165 | \$2,895 | \$3,171 | \$3,322 |
| Allowance for State of Good Repair | 249 | 202 | 249 | 203 |
| Other Rapid Transit Program Costs | <u>114</u> | <u>114</u> | <u>114</u> | <u>114</u> |
| Subtotal Rapid Transit Corridors Program | \$3,528 | \$3,211 | \$3,534 | \$3,639 |
| Bus Program, Facilities, Other Capital | <u>951</u> | <u>951</u> | <u>951</u> | <u>951</u> |
| Total Capital Program | \$4,479 | \$4,162 | \$4,484 | \$4,590 |
| <u>Capital Income</u> | | | | |
| Balance Available from Operations | \$2,427 | \$2,526 | \$2,447 | \$2,537 |
| Federal Funding | 2,579 | 2,370 | 2,535 | 2,406 |
| State Funding | 954 | 865 | 924 | 983 |
| Outstanding Debt Issues (2006) | 200 | 200 | 200 | 200 |
| New Debt Issues (2007 and later) | 411 | 311 | 446 | 261 |
| Interest Income | 11 | 12 | 13 | 12 |
| Other Income | <u>118</u> | <u>123</u> | <u>135</u> | <u>222</u> |
| Total Capital Program Income | \$6,700 | \$6,407 | \$6,700 | \$6,621 |
| Beginning Cash Balance (2006) | 127 | 127 | 127 | 127 |
| Closing Cash Balance (2035) | \$1,276 | \$1,447 | \$1,248 | \$1,309 |

Summary of Financial Results for Corridor Implementation Scenarios

PRELIMINARY

(Millions of dollars)

| | Alternative | | | |
|---|----------------|----------------|----------------|----------------|
| | A | B | C | D |
| <u>Operating Program Summary (FY2006-2035)</u> | | | | |
| <u>Operating Expenses less Fare Revenues</u> | | | | |
| Corridor Rapid Transit Services | \$ 835 | \$ 686 | \$ 810 | \$ 690 |
| Bus, STS & Other Services | <u>3,564</u> | <u>3,564</u> | <u>3,564</u> | <u>3,564</u> |
| Total Net Operating Cost | \$4,400 | \$4,251 | \$4,374 | \$4,254 |
| <u>Other Operating Income</u> | | | | |
| Half-Cent Sales Tax | \$5,136 | \$5,136 | \$5,136 | \$5,136 |
| Service Reimbursements | 58 | 57 | 52 | 53 |
| Maintenance of Effort Payments | 558 | 558 | 558 | 558 |
| State and Other Grants | 912 | 868 | 911 | 881 |
| Other Income | 162 | 158 | 164 | 163 |
| Total Other Operating Income | \$6,827 | \$6,777 | \$6,821 | \$6,791 |
| Balance from Operations Available for Capital | \$2,427 | \$2,526 | \$2,447 | \$2,537 |

Key Issues to Consider

- Feasibility of the timing and amount of debt financing the City can issue
- Ability to attract Federal funding for more than one corridor project at a time
- Ability to attract State funding assumed
- How to cover Federal funding shortfalls in certain corridors
- Local governments ability to invest in infrastructure supporting development in station areas

Next Steps After Plan Adoption

- Submit 2030 Plan to FTA for review and feedback
- Review 2030 Plan with Congressional and State Legislative Representatives
- Complete environmental documents (DEIS and EA)
- Submit formal request(s) to FTA for approval to proceed with Preliminary Engineering based on feedback received