

Memorandum



Date: AUG 28 2008

September 2, 2008

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

Supplement#2 to
Agenda Item No. 11(A)4

From: George M. Burgess
County Manager

Subject: 30-Year Financial Scenarios for Miami-Dade Transit (MDT)

This responds to Board requests at the July 17, 2008 meeting for additional information and alternative scenarios for Miami-Dade Transit's (MDT) 30-year financial outlook. As you may recall, these requests were made during the Board's discussion of the *MDT Financial Status Report*, presented as a supplement to the proposed \$0.50 fare increase item. That Report offered important information regarding recommendations requiring positive policy action by the Board, including proposed fare and parking fee increases; the need to unify funding of our transit system; and various revenue options for the continued pursuit of a heavy rail expansion program for the Orange Line. Together, the recommendations charted a course for both the maintenance and operation of an effective existing system and the provision of an expanded transit system.

This report reviews these pressing policy concerns, and outlines the needs associated with the alternative pro forma scenarios requested by the Board at the July 17, 2008 meeting. Short-term action on the proposed fare and parking fee increases, in addition to a unification of the transit system, are essential in order to minimize the reductions on existing service proposed for the FY 2008-09 MDT Budget. With respect to the expanded system, the July 17, 2008 *MDT Financial Status Report* clearly laid out needed policy actions both in the short and long-term to arrive at the \$9.4 billion in needs beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) required for the build-out of the Orange Line over a 30 year period. These included the proposed fare and parking fee increases, additional General Fund support (beyond the current 3.5%), unification of the transit system, two cent increase to the Local Option Gas Tax (LOGT), phase out of the current municipal contributions from the Surtax, and reduction of Golden and Patriot Passport fare-free programs.

Continued pursuit of a heavy rail expansion program with serious consideration from the FTA for Federal Assistance requires some positive action by this Board on the July 17, 2008 *MDT Financial Status Report* again before you. The Board was asked to accept this Report at the July 17, 2008 meeting in order to provide the Federal Transit Administration (FTA) an indication of the Board's commitment to adequately resourcing our transit system. Support for the assumptions presented was and is important, particularly since the February 2008 "Medium-low" rating was due in large part to the history of MDT's lack of fare increases. The Board deferred action on the report along with the proposed \$0.50 fare increase while at the same time instructing staff to make the initial submittals to the FTA for preliminary review during the Board's recess in August. MDT made the submittals in accordance with that instruction; however, FTA has since advised that due to the uncertainty surrounding our fare assumptions and FTA's scarce resources at this time, they would conduct only a cursory review of the preliminary submittal and hold off on any in-depth review and feedback until the final submittal is received after the September 2, 2008, Board meeting.

Should the Board not support the revenue alternatives above and beyond the fare and parking fee increases, the only other options that would support an expansion plan would involve the development of less costly modal approaches to the program. As you are aware, the average per passenger boarding cost is higher on rail than on bus (\$4.72 vs. \$3.81). The County would have to look at less costly transit alternatives for Phases 2 and 3 of the Orange Line such as those outlined in Scenarios C & D below for Bus Rapid Transit (BRT) "Lite" or a full scale BRT. There are other modal alternatives

such as Light Rail or Street Car/Trolley services that would also be explored, in addition to alternative funding opportunities such as Public/Private Partnerships. Regardless, as you can see from the scenarios below, continued consideration of transit expansion of ANY sort in this County requires positive action on the proposed fare and parking fee increases, unification of the transit system, and acceptance of varying degrees of the revenue options identified above and in the July 17, 2008 *MDT Financial Status Report*.

Impacts of the Proposed Fare Increase & Unification of the Transit System on the Proposed MDT FY 08-09 Budget

As noted in the July 17, 2008 *MDT Financial Status Report*, the FY 2008-09 MDT Budget continues to reflect a two-tier transportation system comprised of the existing pre-PTP service funded with the County's General Fund Maintenance of Effort (MOE) as well as related farebox revenue, and new and expanded service, implemented post-PTP, that is funded by surtax revenues along with its portion of farebox revenue. This is the result of the persistence of our non-unified approach to funding the transit system. Since the 2004 publication of the "White Paper", I have emphasized the need to have the Surtax support not only new and/or improved services but also to help support services in place at MDT before November 2002. The projections from the baseline scenarios confirm this. The surtax must be treated as an additional revenue source among the many that support our unified transit system, and we cannot have the mindset that there are two public transit systems –one that existed before the referendum and another comprised of all new and improved service occurring after the referendum. I have stated repeatedly and for some time now that the PTP program was over-promised and over-prescribed, a reality that has forced difficult choices upon us in order to sustain forecast program funding needs; nevertheless, these flaws have not hindered our commitment to the expansion.

Pursuit of a transit expansion program remains a critical element for the future livability of this County that will enhance the quality of life for our residents and visitors to this region. However, expansion proposals must be balanced with sustainable costs. A rational fare and parking fee increase schedule would help mitigate the short and long-term revenue needs and is an integral part of an expansion equation, particularly in a world of rising fuel, construction and real estate costs. While there is never a good time for a fare increase, this is the worst of all times to reduce existing transit service. The proposed FY 2008-09 MDT Budget proposes a decrease in bus revenue service miles of 4.5 million miles, moving MDT from the current 32.6 million miles to 28.1 million miles of service. The reduction in miles will affect the existing service that was in place prior to the PTP due to the inherent limitations in the use of Surtax funding.

However, with the revenue realized from the fare and parking fee increases before you, along with unification of the transit system, the County could afford a service adjustment to 29.5 million miles of service rather than the 28.1 million miles required under the current two-tiered funding system. As you are aware, MDT recently reduced revenue miles by nearly 3 million miles to the current 32.6 million miles of service. These adjustments were primarily on routes that did not meet service standards. In contrast, the proposed adjustments are necessarily based primarily on cost-cutting measures aimed at arriving at sustainable service levels. In order to mitigate the need for these adjustments, I strongly recommend that the transit system be unified. This will allow MDT to maximize its service to the public in the coming fiscal year. Unification of the transit system, along with the fare increase, will allow us to maintain a 29.5 million mile bus system rather than the 28.1 million miles of service currently in the proposed budget, reducing 3.1 million miles rather than 4.5 million miles. While bus miles are still reduced, the reductions would be made to newer, lower ridership routes as opposed to higher utilization existing service routes. This represents a more rational adjustment to current service and allows MDT the time needed to optimize future service adjustments with the benefit of data gathered from the new fare collection system. The fare increase proposal recommended by the Transit Committee along with the parking fee increase sponsored by Commissioner Jordan are needed under any scenario to secure the short term future of MDT, and to provide an optimal bus service line up this fall. As you consider

the fare increase, keep in mind that only 25% of transit users pay the full fare; ours is a highly subsidized system –more so than that of other localities- and the bottom line impact of fare increases will always be somewhat mitigated by this.

Finally, in keeping with my July 17, 2008 recommendation for future increases in General Fund support to MDT, I recommend that the Office of Strategic Business Management (OSBM) and the Office of Intergovernmental Affairs (OIA) be tasked with pursuing a statutory exclusion for the Transit MOE from ad valorem maximum millage calculations during the coming State Legislative Session. This would be similar to the exclusion that exists for the Public Health Trust (PHT) where the value of the PHT MOE is excluded from the formula for the maximum millage determination. A higher level of General Fund support, in combination with the proposed fare and parking fee increases and a unification of the transit system, would allow MDT to develop a properly funded expansion program under the heavy rail Orange Line build-out or through the modal alternatives outlined in the scenarios requested by the Board or other transit corridor alternatives.

As requested by the Board, six 30-year financial scenarios are provided, each prepared with the baseline assumptions outlined below. Also included are three attachments which provide supporting information for each scenario: Attachment 1 -Summary of Scenarios; Attachment 2 -Pro Forma Scenarios A-F; and Attachment 3 –MDT Fare and Parking Fee Increase Comparison (present and proposed). As you consider the cost estimates for Attachment 2 Scenarios C & D (Bus Rapid Transit (BRT) “Lite” and a full scale BRT), please keep in mind that these are very preliminary analyses. Further engineering and environmental analysis would be required to advance these options, and the estimates are for order of magnitude purposes only.

Baseline Assumptions for all Six Scenarios:

- Bus service miles are flat at 28.1 million revenue miles starting in FY 2009 through FY 2037.
- Metrorail service remains at the current level of service, except for those scenarios which include the Miami Intermodal Center/Earlington Heights (MIC/EH) project, which require additional train service from the MIC to Brickell. The current level of service for Metrorail includes headways of 7.5 minutes during peak hours; 15 minutes during midday and early evenings; and 30 minutes during late evening/weekend. Rail service would continue to start at 5:00 a.m. during weekdays (5:10 a.m. Saturday and Sunday) and operate through 12:48 a.m.,
- Excludes revenue enhancements presented at the July 17, 2008 Board meeting. Scenarios do not include the proposed \$0.50 fare increase, LOGT increase, increase in General Fund support, etc.
- Assumes that the County will maintain the present General Fund support to transit, growing at 3.5 percent annually. Also, the same level of Local Option Gas Tax (LOGT) support assumed in the FY 2008-09 Pro Forma --growing at 0.5 percent -- is assumed in each scenario.
- All Miami-Dade County Public Works projects are funded through FY 2013 at the level of \$397 million total.
- No heavy rail alternatives are included, with the exception of those scenarios that include the MIC/EH project.
- No Federal funding is included.
- State funding has been programmed at 25 percent for each scenario; however, the dollar amount varies based on the modal options presented. For scenarios where there are no modal alternatives, State matching funding support is included for existing capital projects, such as pedestrian overpasses, park and ride lots, Kendall BRT, etc; in scenarios where the MIC/EH is presented as an option, the \$100 million state contribution is included

in addition to the aforementioned capital projects; and for scenarios where modal options such as Bus Rapid Transit (BRT) "Lite" and BRT are present, additional state funding support is included on top of the existing capital projects and MIC/EH at 25 percent of capital costs.

- Includes funding for an Infrastructure Renewal Program (IRP) which varies in accordance with the needs dictated by the varying levels of modal build-out identified in each scenario.
- Includes a Capital Improvement Program (CIP), which includes projects such as Metromover, Metrorail and fare collection replacement.

Scenario A is the existing system. It assumes MDT operations as noted above with no Orange Line build-out for any of the three phases (MIC/EH, North, or East-West Corridors). Current PTP funding support to MDT is included along with funding to PWD and the current municipal support at 20% of surtax proceeds. With no fare or fee increases programmed under this scenario, \$2.066 billion in needs remain beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) over a 30 year period. This is because projected expenditures grow at a higher rate than projected revenue over the 30 year period.

Scenario B includes the same assumptions as Scenario A with the exception that it assumes the construction and operation of the MIC/EH project as the only heavy rail project. Current PTP funding support to MDT, PWD and municipalities is included. However, with no programmed fare or fee increases and the added expense of the MIC/EH build-out and operations, \$3.309 billion in needs remain beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) over a 30 year period.

Scenario C builds on Scenario B assuming PTP funding at current levels and including the MIC/EH, with the addition of Bus Rapid Transit (BRT) "Lite" applications to the North and East-West Corridors. BRT "Lite" is Express Bus Service which operates in mixed traffic lanes and includes many standard Bus Rapid Transit (BRT) features, such as traffic signal priority, low-floor buses for fast boarding and off-bus fare collection and limited stops. BRT "Lite" technology requires limited right-of-way acquisition and less expensive bus stations when compared to a standard BRT.

Service frequency can be changed to meet peak period, off-peak period and special event demand. This technology has been successfully applied in Los Angeles, where it is known as Metro Rapid Bus (MRB), and would operate similar to the proposed Kendall BRT. The Los Angeles MRB operates in a shared lane of major arterial streets with limited stops, distinctive shelters and preferential signal treatment. The stations are simple in design and provide for off-bus fare collection equipment.

The average typical cost for construction is estimated at approximately \$5 million per mile. This is in contrast to the estimated \$120 million cost per mile required for heavy rail build-out. The operational cost for the BRT "Lite" for both the North and East-West Corridors is estimated at approximately \$654 million over 30 years and is in contrast to \$3.2 billion for heavy rail operation for these Corridors. The operational costs estimate was developed using the same operation and maintenance models used to develop the 2008 Pro Forma and included in the 2008 New Starts Package.

For the purpose of this analysis, service is assumed to begin in FY 2015 for the North Corridor, with East-West service opening in FY 2018. Service for the North Corridor line assumes an additional 1.1 million annual revenue miles, while the East-West assumes another 1.0 million miles. Therefore, the total bus service miles at the end of the 30 year period is 30.2 million miles. With the inclusion of the BRT "Lite", this Scenario yields \$3.5 billion in needs beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) over a 30 year period.

Scenario D is similar to Scenario C, including current PTP funding and the MIC/EH build-out, with the difference that Bus Rapid Transit (BRT) applications to the North and East-West Corridors are assumed rather than BRT "Lite". BRT is an advanced transit design concept that uses buses to emulate a light rail system. Some system component options include exclusive transit lanes, traffic signal priority, level passenger boarding, park and ride lots, advanced hybrid/electric vehicles and off bus fare collection. Most BRT concepts offer high capacity bus operation along an exclusive bus-only roadway with online stations. The Honolulu BRT buses operate in exclusive median lanes or curbside contra flow lanes. Additionally, a recently implemented successful BRT has been operating in Eugene, Oregon since January 2007, which offers specialized vehicles that operate mostly on exclusive lanes.

The average typical construction cost for BRT is estimated at approximately \$40 million per mile. The capital cost estimate for applications along both the North and East-West Corridors was developed using industry comparative analyses. The operational cost for the BRT for both the North and East-West corridors is estimated at approximately \$592 million over 30 years. The operations and maintenance cost estimates are slightly less than BRT "Lite" because in most cases, a BRT operates on a dedicated right-of-way which would require less buses and service hours as opposed to the BRT "Lite", which operates in mixed traffic and would require more buses and service hours to maintain premium transit service with good frequency in competing traffic. The operational costs estimate was developed using the same operation and maintenance models used to develop the 2008 Pro Forma and included in the 2008 New Starts Package.

As was the case in the "Lite" analysis, service is assumed to begin in FY 2015 for the North Corridor, with East-West service opening in FY 2018. Additional service miles are also required under the BRT analysis, although at a slightly lower level with 1.0 million service miles added for the North and 0.9 million service miles added for the East-West, bringing service levels to 30.0 million miles. This BRT Scenario yields \$4.322 billion in needs beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) over a 30 year period.

Scenario E is Scenario A without PTP support. It assumes no Orange Line build-out at all (neither BRT "Lite" nor BRT for the North and East-West and no heavy rail build-out for the MIC/EH) and no PTP funding for PWD or municipalities beyond an estimate on the level of expense projected for this fiscal year. (It is important to note that these projections may vary depending on the debt service that may be required on the outstanding bond obligations of municipalities.) This scenario yields \$9.772 billion in needs beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) over a 30 year period. The pressure of escalating operational and maintenance costs of operating 28.1 million miles of bus service and the existing rail service with no programmed fare increases and unmet infrastructure renewal needs yields an unsustainable system. Only a very reduced level of service compared to the one in place today could be provided in order to curb the projected funding gap. Therefore, a sustainable system could only operate between 10 - 13 million revenue bus service miles compared to the baseline 28.1 million revenue miles. Special Transportation Service (STS) would be reduced commensurate with the reduction of bus service, which would eliminate more than half of the current service. Metrorail headways would also have to be significantly reduced in order to offset some of the vast reductions in bus service.

Scenario F is Scenario B (including build-out of the MIC/EH) but without the PTP support. As was the case with Scenario E, the pressure of escalating operations and maintenance with no additional revenue from PTP or future fare increases yields \$11.086 billion in needs beyond existing revenues (the surtax, grants and current levels of General Fund support and gas taxes) over a 30 year period.

Funding Options

The analysis above shows that, in all cases, our transit system needs the proposed fare and parking fee increases as well as the continuation of transit surtax proceeds (PTP). In the absence of revenue

enhancements to the transit system, negative balances appear within the first three years for all scenarios. The proposed \$0.50 fare and parking fee increases begin to close these gaps for all scenarios, generating an estimated \$1.336 billion over the 30 year period (a breakdown of specific increases in the proposed fare structure are outlined in Attachment 3). However, in order for the system to grow beyond the MIC/EH, varying levels of increase in General Fund support are also required. These levels vary over the 30 year period and are detailed in Attachments 1 & 2. As noted above, the *MDT Financial Status Report* presented at the July 17, 2008 Board meeting also outlined other revenue enhancement options, in addition to the General Fund and fare and parking fee increase options. These assumptions included unification of the transit system (\$129.6 million); two cent increase to the Local Option Gas Tax (LOGT) in FY 2012 (\$312.9 million); and future phase out of the current municipal contributions from the Surtax (\$1.9 billion). One or more of these revenue options, in conjunction with the fare and parking fee increase, could be considered to meet the needs that exist in Scenarios B through D to minimize the pressure that would be placed on increasing the General Fund.

In the absence of Board action on the proposed fare and parking fee increases before the Board, we will refocus our energy and resources on evaluating the modal alternatives discussed in this report, in addition to other alternatives as appropriate for the build-out of the Orange Line. While developing the implementation strategies of such service modes, we must keep in mind that one of the goals of the Orange Line, particularly the Phase 2 North Corridor, has always been redevelopment of the Corridor. As such, MDT must work closely with the Department of Planning and Zoning to evaluate existing charrettes and identify the types of developments best suited to these alternative transit modes. MDT would also explore whether the New Starts "Small Starts" program could help offset the costs of developing these alternatives. But funding alternatives should not stop at the traditional Federal and State coffers; we would also pursue potential public/public partnerships with agencies such as the Miami-Dade Expressway Authority (MDX) and public/private partnerships to offset the costs of other modal alternatives. This County has invested considerable resources in studying alternatives along these corridors already, and no course of action should go without a review of the existing literature on the subject. We must use and build upon the existing work as the foundation from which we can then engage the public and solicit feedback from the community through the "Transit Visioning Workshop" proposed at your July 17, 2008 meeting.

Again, continued consideration of transit expansion of any sort in this County requires positive action on the proposed fare and parking fee increase and acceptance of some of the revenue options identified above. The proposed fare and parking fee increases secure the immediate future of transit services and set the foundation for any future expansion.

Attachments

c: Honorable Carlos Alvarez, Mayor
Miles E. Moss, P.E., Chairperson
and Members, Citizens' Independent Transportation Trust
Denis Morales, Chief of Staff, Office of the Mayor
Ysela Llort, Assistant County Manager
Jennifer Glazer-Moon, Special Assistant/Director OSBM
Howard Piper, Special Assistant, Management & Performance Assessment
Harpal Kapoor, Director, MDT
Nan Markowitz, Executive Director, Office of the Citizens' Independent Transportation Trust

SUMMARY OF SCENARIOS		ATTACHMENT 1							
Amounts are in million dollars		Proposed Funding Options							
Scenario	Orange Line Components	PTP Funding	Contribution to Municipalities	Contribution to Public Works	Unadjusted 30 Year Unmet Needs	Yield from Fare Increases Over 30 Years	Yield from Parking Fee Increase Over 30 Years	Enhanced Revenue Expenditure Gap Over 30 Years	Percent Increase in Enhanced Revenue Expenditure Gap Needed Above Current Level Over 30 Years
A	None	Yes	Yes	Yes	(2,066.3)	1,366.3	87.2	612.8	None
B	MIC/EH only	Yes	Yes	Yes	(3,309.3)	1,366.3	87.2	1,855.8	26.9%
C	MIC/EH - Rail North - BRT-Lite E-West - BRT-Lite	Yes	Yes	Yes	(3,513.4)	1,366.3	87.2	2,059.9	29.8%
D	MIC/EH - Rail North - BRT-Lite E-West - BRT-Lite	Yes	Yes	Yes	(4,321.7)	1,366.3	87.2	2,868.2	41.5%
E	None	No	No	No	(9,772.0)	1,366.3	87.2	8,318.5	120.4%
F	MIC/EH only	No	No	No	(11,086.3)	1,366.3	87.2	9,632.8	139.4%
Baseline Assumptions:									
Bus miles are flat at 28.1M miles									
Public Works projects are through FY2013									
The BRT "Lite" and Bus Rapid Transit (BRT) could be applied to the North Corridor alignment along 27th Avenue starting in 2015									
The BRT "Lite" and Bus Rapid Transit (BRT) could be applied to the East-West Corridor along an arterial road alignment starting in 2018									
Note: Scenarios E and F assume no PTP funding for these categories in the years 2009 through 2037.									

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SUMMARY OF SCENARIOS

Scenario

ATTACHMENT 1

	Scenario					
	A PTP NO Orange Line Phases	B PTP MIC/EH	C PTP MIC/EH Phase 2 & 3 BRT-Lite-Bus	D PTP MIC/EH Phase 2 & 3 BRT-Bus	E No PTP NO Orange Line Phases	F No PTP MIC/EH
REVENUES						
<u>Operating Revenues</u>						
Bus & Rail Farebox Revenue	3,318.0	3,422.9	3,483.6	3,493.5	3,318.0	3,422.9
STS Fare Revenue	194.3	194.3	194.3	194.3	194.3	194.3
Other Revenues (Advertising, Parking, etc.)	434.7	434.7	434.7	434.7	434.7	434.7
Sub-Total	3,947.0	4,051.8	4,112.6	4,122.5	3,947.0	4,051.8
<u>Grant Funds & Subsidies</u>						
<u>Federal</u>						
Sec 5309 New Starts	-	-	-	-	-	-
Sec 5309 Rail Modification	499.1	585.1	585.1	585.1	499.1	585.1
Sec 5309 Bus & Bus Facilities	259.6	259.6	259.6	259.6	259.6	259.6
Sec 5307 Urban Area	2,086.3	2,138.7	2,163.4	2,162.6	2,086.3	2,138.7
JARC/New Freedom	141.1	141.1	141.1	141.1	141.1	141.1
Sub-Total	2,986.1	3,124.5	3,149.2	3,148.3	2,986.1	3,124.5
<u>State</u>						
Block Grant, Operating Asst, & TD	1,009.0	1,009.0	1,009.0	1,009.0	1,009.0	1,009.0
Project Matching Grants	38.2	111.8	136.7	326.1	38.2	111.8
Bus Capital	155.7	155.7	155.7	155.7	155.7	155.7
FDOT PWD Reimbursement	56.0	56.0	56.0	56.0	56.0	56.0
Sub-Total	1,258.9	1,332.4	1,357.4	1,546.8	1,258.9	1,332.4
<u>Local</u>						
PTP Surtax (Gross)	11,185.6	11,185.6	11,185.6	11,185.6	-	-
Miami-Dade General Funds (3.5% MOE)	6,911.1	6,911.1	6,911.1	6,911.1	6,911.1	6,911.1
LOGT BaseLine (Gross at 5%)	529.1	529.1	529.1	529.1	529.1	529.1
Tri-Rail/SFRTA General Fund Support	127.6	127.6	127.6	127.6	127.6	127.6
PTP Loan Payback (Non-Unif Only)	139.3	139.3	139.3	139.3	139.3	139.3
Interest on PTP Balance	238.6	238.6	297.3	297.3	4.0	4.0
Unidentified Funding Source - Municipal Bonds	-	-	-	-	273.5	273.5
Interest Income on Working Capital Balance	168.9	93.1	301.8	324.0	62.7	63.5
Sub-Total	19,300.3	19,224.5	19,491.8	19,514.0	8,047.3	8,048.1
<u>Debt Financing Proceeds</u>						
New Sales Tax Revenue Bonds	1,771.0	1,889.3	2,029.2	2,336.8	-	-
Commercial Paper	560.0	750.0	700.0	875.0	315.0	600.0
FFGA Bond	-	-	-	-	-	-
Debt Service Sinking Fund Transfer	-	-	-	-	-	-
Sub-Total	2,331.0	2,639.3	2,729.2	3,211.8	315.0	600.0
TOTAL REVENUES	29,823.3	30,372.5	30,840.1	31,543.4	16,554.3	17,156.8
OPERATING EXPENSES						
	Total	Total	Total	Total	Total	Total
<u>Direct Operating Expenses</u>						
Metrobus (incl. hybrid impact)	12,133.5	12,131.2	12,786.0	12,723.9	12,133.5	12,131.2
Metro-rail	3,936.3	4,863.9	4,863.9	4,863.9	3,936.3	4,863.9
Metro-mover	998.8	1,024.1	1,024.1	1,024.1	998.8	1,024.1
STS	3,519.0	3,519.0	3,519.0	3,519.0	3,519.0	3,519.0
Exec Benefits & Flex Dollars	99.0	99.0	99.0	99.0	99.0	99.0
Sub-Total	20,686.5	21,637.0	22,291.9	22,229.7	20,686.5	21,637.0
<u>Other Operating Expenses</u>						
Municipal Contribution	2,237.1	2,237.1	2,237.1	2,237.1	-	(1)
CITT Staff	95.5	95.5	95.5	95.5	-	(1)
Tri-Rail/SFRTA Contribution	186.8	186.8	186.8	186.8	186.8	186.8
General Fund Loan Payback	57.0	57.0	57.0	57.0	57.0	57.0
PTP Loan Payback (Non-Unif Only)	139.3	139.3	139.3	139.3	139.3	139.3
PWD Project O&M Expenses	58.0	58.0	58.0	58.0	-	(1)
Sub-Total	2,773.7	2,773.7	2,773.7	2,773.7	383.1	383.1
<u>Capital Expenses</u>						
Rail Service Expansion Projects (Orange Line)	-	-	-	-	-	-
Phase 1: MIC-Earlinton Heights	-	439.8	439.8	439.8	-	439.8
MIC Bus Plaza	-	33.1	33.1	33.1	-	33.1
Phase 2: North Corridor	-	-	-	-	-	-
Phase 3: East-West	-	-	-	-	-	-
Orange Line Bus Projects (Phases 2 and 3)	-	-	99.8	857.4	-	-
Capital Improvement Program (2008-14)	724.5	724.5	724.5	724.5	724.5	724.5
Infrastructure Renewal Program (Existing System)	1,277.4	1,277.4	1,277.4	1,277.4	1,277.4	1,277.4
Infrastructure Renewal Program (Orange Line)	-	58.2	58.2	58.2	-	58.2
Bus Acquisition/Renewal/Replacement	1,556.7	1,556.7	1,556.7	1,556.7	1,556.7	1,556.7
Public Works Projects	347.4	347.4	347.4	347.4	-	(1)
Sub-Total	3,906.0	4,437.2	4,537.1	5,294.6	3,558.6	4,089.8
<u>Debt Service Expenses</u>						
Existing Debt Svc & GE Lease	57.0	57.0	57.0	57.0	57.0	57.0
Municipal Bonds (if Muni 20% Eliminated)	-	-	-	-	273.5	273.5
Series 2006 & 2008 Surtax Bonds	932.7	932.7	932.7	932.7	932.7	932.7
Commercial Paper Interest and principal	1,115.0	1,142.0	985.0	1,269.0	435.0	870.0
New Surtax Bond Debt Svc	2,418.7	2,702.0	2,776.1	3,308.3	-	-
Sub-Total	4,523.5	4,833.8	4,750.9	5,567.0	1,698.2	2,133.2
TOTAL EXPENSES	31,889.7	33,681.7	34,353.5	35,865.1	26,326.4	28,243.1
REVENUE-EXPENDITURE GAP	(2,066.3)	(3,309.3)	(3,513.4)	(4,321.7)	(9,772.0)	(11,086.3)

(1) Scenarios E and F assume no PTP funding for these categories in the years 2009 through 2037.

Orange Line Phase 2: North Corridor Metrorail Extension Financial Plan
30 Year Operating Plan
Scenario E - No Orange Line - No PTP

	99¢ fare & Parking Increase \$10										Parking Increase \$15										25¢ fare Increase										25¢ fare & Parking Increase \$20																																																																																															
	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	2036	2037	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	2036	2037																																																																				
Operating Revenues	\$99.6	\$104.7	\$109.9	\$107.2	\$108.7	\$108.8	\$111.2	\$111.5	\$111.6	\$112.2	\$113.2	\$113.7	\$114.4	\$116.1	\$116.3	\$116.6	\$117.1	\$117.3	\$117.1	\$117.6	\$118.0	\$118.3	\$119.3	\$119.7	\$120.6	\$121.5	\$122.0	\$122.8	\$124.0	\$99.6	\$104.7	\$109.9	\$107.2	\$108.7	\$108.8	\$111.2	\$111.5	\$111.6	\$112.2	\$113.2	\$113.7	\$114.4	\$116.1	\$116.3	\$116.6	\$117.1	\$117.3	\$117.1	\$117.6	\$118.0	\$118.3	\$119.3	\$119.7	\$120.6	\$121.5	\$122.0	\$122.8	\$124.0	\$99.6	\$104.7	\$109.9	\$107.2	\$108.7	\$108.8	\$111.2	\$111.5	\$111.6	\$112.2	\$113.2	\$113.7	\$114.4	\$116.1	\$116.3	\$116.6	\$117.1	\$117.3	\$117.1	\$117.6	\$118.0	\$118.3	\$119.3	\$119.7	\$120.6	\$121.5	\$122.0	\$122.8	\$124.0	\$99.6	\$104.7	\$109.9	\$107.2	\$108.7	\$108.8	\$111.2	\$111.5	\$111.6	\$112.2	\$113.2	\$113.7	\$114.4	\$116.1	\$116.3	\$116.6	\$117.1	\$117.3	\$117.1	\$117.6	\$118.0	\$118.3	\$119.3	\$119.7	\$120.6	\$121.5	\$122.0	\$122.8	\$124.0										
Bus & Rail Farebox Revenue	3.9	4.1	4.3	4.4	4.6	4.7	4.9	5.1	5.3	5.5	5.7	5.9	6.1	6.3	6.5	6.8	7.0	7.2	7.4	7.7	7.9	8.2	8.7	9.0	9.3	9.6	9.9	10.2	3.9	4.1	4.3	4.4	4.6	4.7	4.9	5.1	5.3	5.5	5.7	5.9	6.1	6.3	6.5	6.8	7.0	7.2	7.4	7.7	7.9	8.2	8.7	9.0	9.3	9.6	9.9	10.2	3.9	4.1	4.3	4.4	4.6	4.7	4.9	5.1	5.3	5.5	5.7	5.9	6.1	6.3	6.5	6.8	7.0	7.2	7.4	7.7	7.9	8.2	8.7	9.0	9.3	9.6	9.9	10.2	3.9	4.1	4.3	4.4	4.6	4.7	4.9	5.1	5.3	5.5	5.7	5.9	6.1	6.3	6.5	6.8	7.0	7.2	7.4	7.7	7.9	8.2	8.7	9.0	9.3	9.6	9.9	10.2														
STS Fare Revenue	10.5	10.9	11.1	11.4	11.8	12.0	12.3	12.7	12.9	13.2	13.6	13.9	14.2	14.6	14.9	15.2	15.6	15.9	16.3	16.7	17.0	17.3	17.7	18.0	18.4	18.8	19.2	19.7	10.5	10.9	11.1	11.4	11.8	12.0	12.3	12.7	12.9	13.2	13.6	13.9	14.2	14.6	14.9	15.2	15.6	15.9	16.3	16.7	17.0	17.3	17.7	18.0	18.4	18.8	19.2	19.7	10.5	10.9	11.1	11.4	11.8	12.0	12.3	12.7	12.9	13.2	13.6	13.9	14.2	14.6	14.9	15.2	15.6	15.9	16.3	16.7	17.0	17.3	17.7	18.0	18.4	18.8	19.2	19.7	10.5	10.9	11.1	11.4	11.8	12.0	12.3	12.7	12.9	13.2	13.6	13.9	14.2	14.6	14.9	15.2	15.6	15.9	16.3	16.7	17.0	17.3	17.7	18.0	18.4	18.8	19.2	19.7														
Other Revenues (Advertising, Parking, etc.)	104.0	119.6	121.2	123.0	125.1	125.1	128.4	129.2	129.8	130.9	132.4	133.4	134.7	137.0	137.8	138.5	139.8	140.4	140.7	141.9	143.0	143.8	145.5	146.4	148.0	149.6	150.5	151.9	153.9	104.0	119.6	121.2	123.0	125.1	125.1	128.4	129.2	129.8	130.9	132.4	133.4	134.7	137.0	137.8	138.5	139.8	140.4	140.7	141.9	143.0	143.8	145.5	146.4	148.0	149.6	150.5	151.9	153.9	104.0	119.6	121.2	123.0	125.1	125.1	128.4	129.2	129.8	130.9	132.4	133.4	134.7	137.0	137.8	138.5	139.8	140.4	140.7	141.9	143.0	143.8	145.5	146.4	148.0	149.6	150.5	151.9	153.9	104.0	119.6	121.2	123.0	125.1	125.1	128.4	129.2	129.8	130.9	132.4	133.4	134.7	137.0	137.8	138.5	139.8	140.4	140.7	141.9	143.0	143.8	145.5	146.4	148.0	149.6	150.5	151.9	153.9										
Grant Funds & Subsidies																																																																																																																														
Federal																																																																																																																														
Sec 5309 New Starts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0													
Sec 5309 Rail Modification	16.7	17.3	17.1	17.8	14.9	15.2	11.8	12.1	12.5	12.6	13.2	13.7	14.1	14.6	15.1	15.6	16.2	16.8	17.4	18.0	18.7	19.4	20.2	21.0	21.8	22.6	23.5	24.5	25.5	16.7	17.3	17.1	17.8	14.9	15.2	11.8	12.1	12.5	12.6	13.2	13.7	14.1	14.6	15.1	15.6	16.2	16.8	17.4	18.0	18.7	19.4	20.2	21.0	21.8	22.6	23.5	24.5	25.5	16.7	17.3	17.1	17.8	14.9	15.2	11.8	12.1	12.5	12.6	13.2	13.7	14.1	14.6	15.1	15.6	16.2	16.8	17.4	18.0	18.7	19.4	20.2	21.0	21.8	22.6	23.5	24.5	25.5	16.7	17.3	17.1	17.8	14.9	15.2	11.8	12.1	12.5	12.6	13.2	13.7	14.1	14.6	15.1	15.6	16.2	16.8	17.4	18.0	18.7	19.4	20.2	21.0	21.8	22.6	23.5	24.5	25.5										
Sec 5309 Bus & Bus Facilities	7.5	7.8	7.8	5.9	6.1	6.2	6.7	6.9	7.0	7.2	7.4	7.7	7.9	8.2	8.4	8.7	9.0	9.3	9.6	9.9	10.3	10.6	11.1	11.3	11.7	12.1	12.5	12.9	13.3	7.5	7.8	7.8	5.9	6.1	6.2	6.7	6.9	7.0	7.2	7.4	7.7	7.9	8.2	8.4	8.7	9.0	9.3	9.6	9.9	10.3	10.6	11.1	11.3	11.7	12.1	12.5	12.9	13.3	7.5	7.8	7.8	5.9	6.1	6.2	6.7	6.9	7.0	7.2	7.4	7.7	7.9	8.2	8.4	8.7	9.0	9.3	9.6	9.9	10.3	10.6	11.1	11.3	11.7	12.1	12.5	12.9	13.3	7.5	7.8	7.8	5.9	6.1	6.2	6.7	6.9	7.0	7.2	7.4	7.7	7.9	8.2	8.4	8.7	9.0	9.3	9.6	9.9	10.3	10.6	11.1	11.3	11.7	12.1	12.5	12.9	13.3										
Sec 5307 Urban Area	48.1	46.7	48.1	49.9	48.4	50.2	52.0	53.9	55.9	57.9	60.1	62.4	64.7	67.1	69.4	71.7	74.0	76.3	78.6	80.9	83.2	85.5	87.8	90.1	92.4	94.7	97.0	99.3	101.6	48.1	46.7	48.1	49.9	48.4	50.2	52.0	53.9	55.9	57.9	60.1	62.4	64.7	67.1	69.4	71.7	74.0	76.3	78.6	80.9	83.2	85.5	87.8	90.1	92.4	94.7	97.0	99.3	101.6	48.1	46.7	48.1	49.9	48.4	50.2	52.0	53.9	55.9	57.9	60.1	62.4	64.7	67.1	69.4	71.7	74.0	76.3	78.6	80.9	83.2	85.5	87.8	90.1	92.4	94.7	97.0	99.3	101.6	48.1	46.7	48.1	49.9	48.4	50.2	52.0	53.9	55.9	57.9	60.1	62.4	64.7	67.1	69.4	71.7	74.0	76.3	78.6	80.9	83.2	85.5	87.8	90.1	92.4	94.7	97.0	99.3	101.6										
JARC/NW Freedom	2.3	2.4	2.5	2.6	2.8	2.9	3.0	3.2	3.3	3.5	3.7	3.9	4.1	4.3	4.5	4.7	4.9	5.2	5.4	5.7	6.0	6.3	6.6	7.0	7.3	7.7	8.0	8.5	8.9	2.3	2.4	2.5	2.6	2.8	2.9	3.0	3.2	3.3	3.5	3.7	3.9	4.1	4.3	4.5	4.7	4.9	5.2	5.4	5.7	6.0	6.3	6.6	7.0	7.3	7.7	8.0	8.5	8.9	2.3	2.4	2.5	2.6	2.8	2.9	3.0	3.2	3.3	3.5	3.7	3.9	4.1	4.3	4.5	4.7	4.9	5.2	5.4	5.7	6.0	6.3	6.6	7.0	7.3	7.7	8.0	8.5	8.9	2.3	2.4	2.5	2.6	2.8	2.9	3.0	3.2	3.3	3.5	3.7	3.9	4.1	4.3	4.5	4.7	4.9	5.2	5.4	5.7	6.0	6.3	6.6	7.0	7.3	7.7	8.0	8.5	8.9										
State																																																																																																																														
Block Grant, Operating Aest. & ID	\$26.0	\$26.5	\$27.1	\$27.6	\$28.2	\$28.7	\$29.3	\$29.9	\$30.5	\$31.1	\$31.7	\$32.3	\$33.0	\$33.6	\$34.3	\$35.0	\$35.7	\$36.4	\$37.1	\$37.9	\$38.6	\$39.4	\$40.2	\$41.0	\$41.8	\$42.7	\$43.5	\$44.4	\$45.3	\$26.0	\$26.5	\$27.1	\$27.6	\$28.2	\$28.7	\$29.3	\$29.9	\$30.5	\$31.1	\$31.7	\$32.3	\$33.0	\$33.6	\$34.3	\$35.0	\$35.7	\$36.4	\$37.1	\$37.9	\$38.6	\$39.4	\$40.2	\$41.0	\$41.8	\$42.7	\$43.5	\$44.4	\$45.3	\$26.0	\$26.5	\$27.1	\$27.6	\$28.2	\$28.7	\$29.3	\$29.9	\$30.5	\$31.1	\$31.7	\$32.3	\$33.0	\$33.6	\$34.3	\$35.0	\$35.7	\$36.4	\$37.1	\$37.9	\$38.6	\$39.4	\$40.2	\$41.0	\$41.8	\$42.7</																																										

MDT Fare and Parking Fee Comparison (present and proposed)

	Current Fares and Fees	2009 Revenue	Proposed Fares at 2009	Revenue Yield From Proposed Fare Increases For Years 2009 - 2037 (1)
Full Fare	1.50	54,325,409	2.00	1,017,603,567
Full Fare Passes	75.00	15,470,323	100.00	289,784,396
Express Full fare	1.85	862,050	2.35	16,147,603
Express Discount Fare	0.90	29,366	1.15	550,073
Discount Full fare	0.75	3,153,702	1.00	59,073,985
Transfer Full	0.50	6,447,911	0.70	120,779,896
Transfer Discount	0.25	689,690	0.50	12,919,019
Tokens	1.45	3,114,745	1.95	58,344,257 (3)
STS Fares	2.50	4,411,700	3.00	82,638,341
Discount Passes	37.50	3,136,879	50.00	58,758,863
Total Fares		<u>91,641,775</u>		<u>1,716,600,000</u>
Parking	6.25	750,000	10.00	87,200,000 (2)
Total Fares and Fees		<u>92,391,775</u>		<u>1,803,800,000</u>

(1) Revenue includes a \$.50 fare increase in 2009 and \$.25 increases in 2022, 2027, 2032 and 2037.

(2) Revenue includes an increase to \$10.00 in 2009, \$15.00 in 2017 and \$20.00 in 2020.

(3) With the implementation of the new Fare Collection System, tokens will be discontinued. Current token revenue is not anticipated to be lost but rather shifted to another fare media.