



COUNTIES *Transit*
Improvement
BOARD

Metropolitan Council, Transportation Committee
August 10, 2015

Presentation Overview

- CTIB Overview – Hennepin County

Commissioner Peter McLaughlin, Chair of CTIB

- Program of Projects Investment Strategy –

Kathy Aho, CTIB Financial Advisor, Springsted

CTIB OVERVIEW

2008 Transportation Legislation

Authorization of County Tax
For Transit Expansion

¼ of 1% sales tax
\$20 motor vehicle excise tax

Imposed by 5 of 7
Metro Counties

Anoka, Dakota, Hennepin,
Ramsey, & Washington

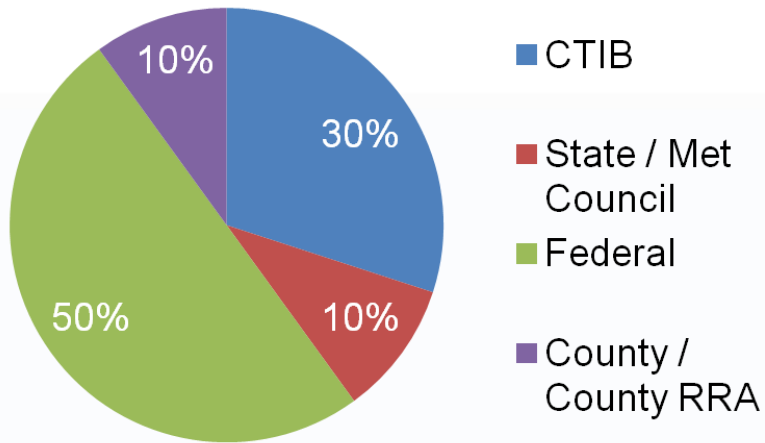
Legislative Expectations

- Expansion of transitways
 - “Supplement not Supplant” (297A.992 subd. 12)
- Construction, not studies*
- Minimal administrative expenses
 - 3/4 of 1% of tax proceeds (297A.992 subd. 4)

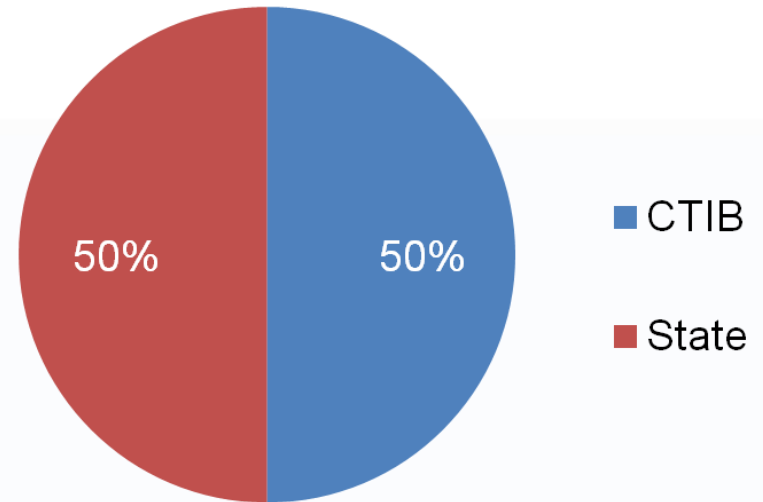
*Exception: Washington County Guaranteed Grants

CTIB's Role: Largest Non-Federal Funding Source

Capital



Net Operating



Focus: Transitway Expansion

Invest in:

- Engineering, construction and operations
- BRT, commuter rail and LRT
- “Supplement, not supplant”

Do not invest in:

- Studies*
- Passenger rail, regular route buses, or arterial BRT

*Exception: Washington County Guaranteed Grants

Key CTIB Investment Policies

- **30%** or more of total transitway capital cost
- **60%** of funding for Project Development and Engineering
 - i.e., Significant upfront risk, cash flow needs
- **50%** of the net operating subsidy
- Provide funding commitments to secure federal funding
- All grants consistent with TPP

CTIB's Regional Vision for Transitways

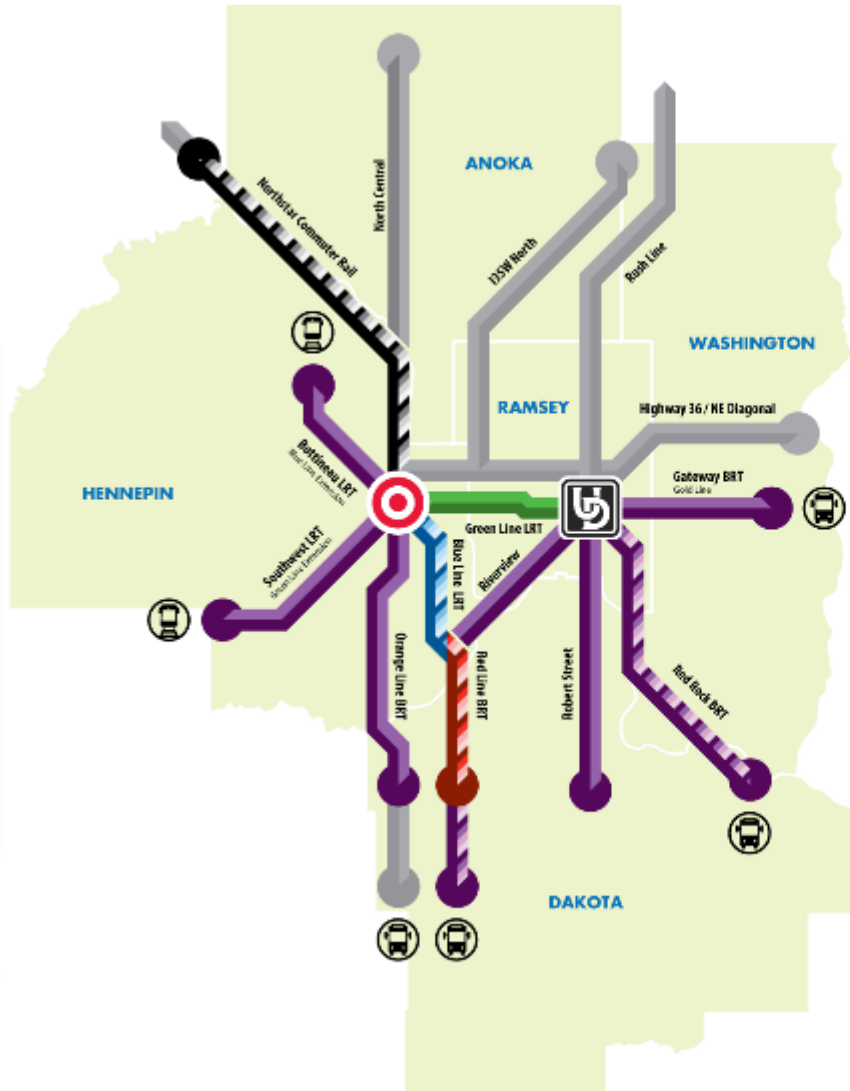
Catalytic economic development

Increased system-wide ridership

Further transit expansion



Program of Projects: Phase 1



COUNTY TRANSIT IMPROVEMENT BOARD
Program of Projects: Phase 1

EXISTING TRANSITWAYS

BLUE LINE LRT 

GREEN LINE LRT 

RED LINE BRT 

NORTHSTAR COMMUTER RAIL 

PHASE ONE PROJECTS

TRANSITWAY EXPANSION 

IMPROVEMENT 

FUTURE PHASES

FUTURE PROJECTS 

CTIB Program of Projects

Alignment with TPP

	Program of Projects Phase 1 Corridors	TPP Current Revenue Scenario Corridors
Operational	Blue Line LRT	Blue Line LRT
	Green Line LRT	Green Line LRT
	Northstar Commuter Rail	Northstar Commuter Rail
	Red Line BRT	Red Line BRT
Expansion	Southwest LRT	Southwest LRT
	Bottineau LRT	Bottineau LRT
	Gateway BRT	Gateway BRT
	Orange Line BRT	Orange Line BRT
	Red Line Stage 2	Red Line Stage 2
	Riverview	3 Arterial BRT
	Robert Street	
	Red Rock	

Grants Awarded to Date: \$648 Million

Type of Grant	Grant Funding Awarded
Capital Grants	\$475 million
Operating Grants	\$161 million
Washington County Guaranteed Grants	\$11 million

CTIB Funding Commitments

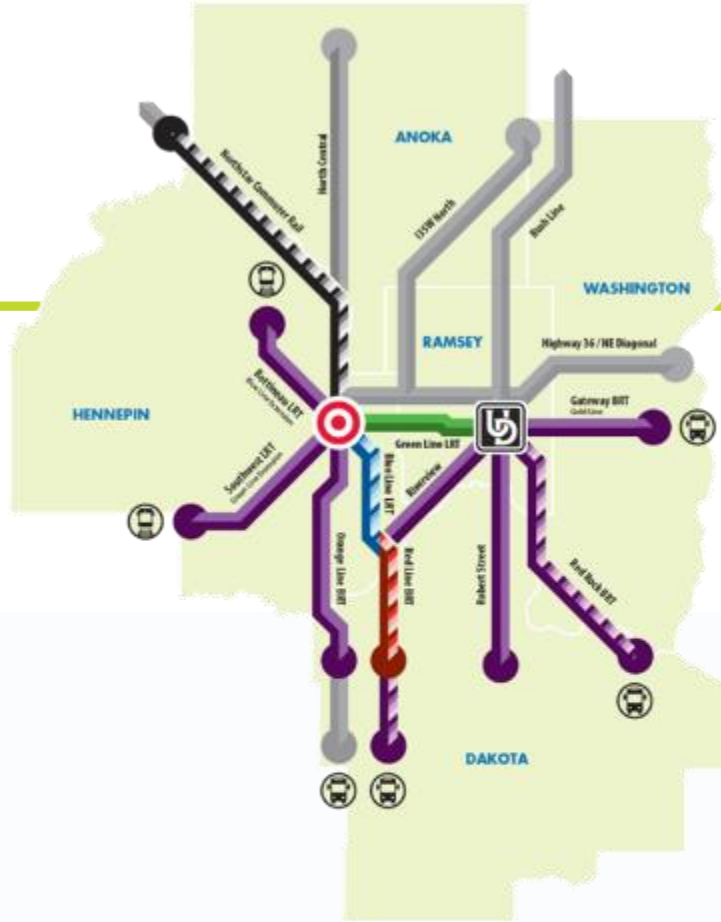
Status	Funding Commitments	Grants to Date	Commitments Outstanding
Green Line LRT	\$283,950	\$283,950	\$0
Red Line BRT	\$17,700	\$17,700	\$0
Southwest LRT	\$496,000	\$97,701	\$398,299
Bottineau LRT	\$27,600	\$18,300	\$9,300
Orange Line	\$6,000	\$3,000	\$3,000
Total	\$831,250	\$420,651	\$410,599

CTIB Funding and Uses: 2008 – 2015

Total Sales Tax Revenue Received	\$ 744,877
less Total Grants	\$ (648,310)
less Debt Service & Administrative Allowance	\$ (51,860)
Sub-total 2008 - 2015	\$ 44,707
less Funding Commitments Remaining	\$ (410,599)
less Note Principal Outstanding	\$ (91,745)
Total Net of Financial Commitments	\$ (457,637)

**PROGRAM OF PROJECTS
INVESTMENT STRATEGY:
APPROVED JULY 15, 2015**

Program of Projects Map



EXISTING TRANSITWAYS

-  BLUE LINE LRT
-  GREEN LINE LRT
-  RED LINE BRT
-  NORTHSTAR COMMUTER RAIL

PHASE ONE PROJECTS

-  TRANSITWAY EXPANSION
-  IMPROVEMENT

FUTURE PHASES

-  FUTURE PROJECTS

Catalytic to economic
development,
increased transit ridership,
and transit expansion

Purpose of the Investment Strategy

1. Identify Transitways eligible for grant funding
2. Examine opportunities for acceleration
3. Track future demand & unmet needs
4. Serve as a 5-year financial plan
5. Inform the Board in its investment decisions

Required to be reviewed at least annually

Funding Priorities

Funding Priorities

- Debt service
- Funding commitments – capital and operating
- Completion of Phase 1 Program of Projects
 - CTIB Transitways
 - Transitway Improvement Projects
 - Operating Subsidies

Outstanding Debt

Date	Principal	Coupon	Interest	Total P+I
12/01/2015	3,990,000	4.000%	4,301,044	8,291,044
12/01/2016	4,150,000	5.000%	4,141,444	8,291,444
12/01/2017	4,355,000	5.000%	3,933,944	8,288,944
12/01/2018	4,570,000	5.000%	3,716,194	8,286,194
12/01/2019	4,800,000	5.000%	3,487,694	8,287,694
12/01/2020	5,040,000	5.000%	3,247,694	8,287,694
12/01/2021	5,295,000	5.000%	2,995,694	8,290,694
12/01/2022	5,560,000	4.000%	2,730,944	8,290,944
12/01/2023	5,780,000	4.000%	2,508,544	8,288,544
12/01/2024	6,010,000	4.250%	2,277,344	8,287,344
12/01/2025	6,265,000	4.250%	2,021,919	8,286,919
12/01/2026	6,535,000	4.375%	1,755,656	8,290,656
12/01/2027	6,820,000	5.000%	1,469,750	8,289,750
12/01/2028	7,160,000	5.000%	1,128,750	8,288,750
12/01/2029	7,520,000	5.000%	770,750	8,290,750
12/01/2030	7,895,000	5.000%	394,750	8,289,750
Total	\$91,745,000	-	\$40,882,113	\$132,627,113

CTIB Funding Commitments

Corridor	PD	Eng.	Full	CTIB Funding Committed	Grants Awarded or Paid to Date	Remaining
METRO Green Line LRT			\$300,000	\$283,950	\$283,950	\$0
METRO Red Line BRT			\$17,700	\$17,700	\$17,700	\$0
Southwest LRT	\$55,800	\$115,200	\$496,000	\$496,000	\$97,700	\$398,300
Bottineau LRT	\$27,600			\$27,600	\$18,300	\$9,300
Orange Line BRT	\$6,000			\$6,000	\$3,000	\$3,000
			Total	\$831,250	\$420,650	\$410,600

2014 PoP Phase 1

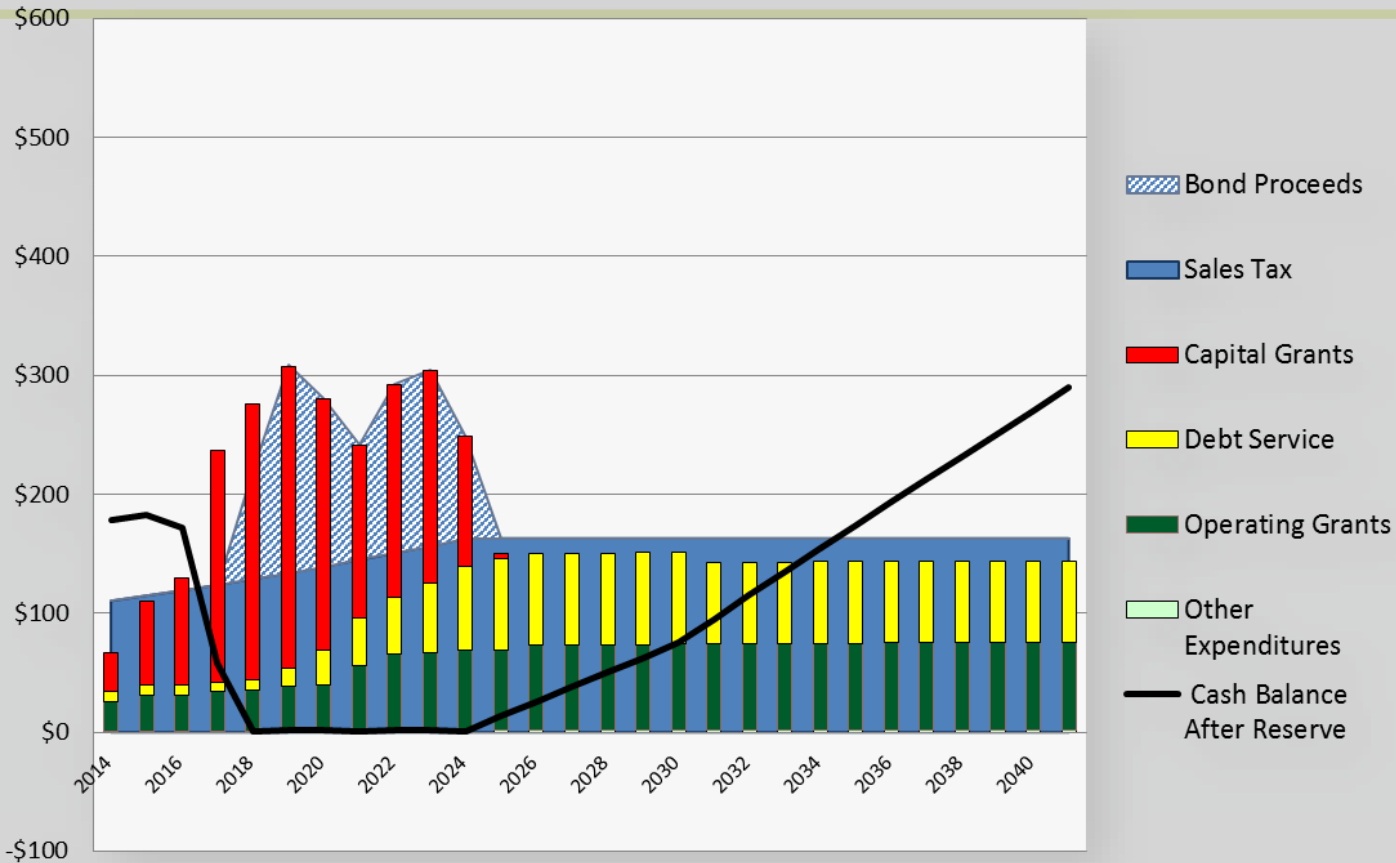
CTIB Transitways

- Southwest LRT
- Bottineau LRT
- Orange Line BRT
- Gateway BRT
- Robert St if ABRT
- Riverview if LRT

Transitway Improvements

- Blue Line vehicles
- Ft. Snelling park 'n ride
- Northstar safety –
Armstrong & Foley
- Red Line Cedar Grove
- Red Line Stage 2
- Red Rock BRT

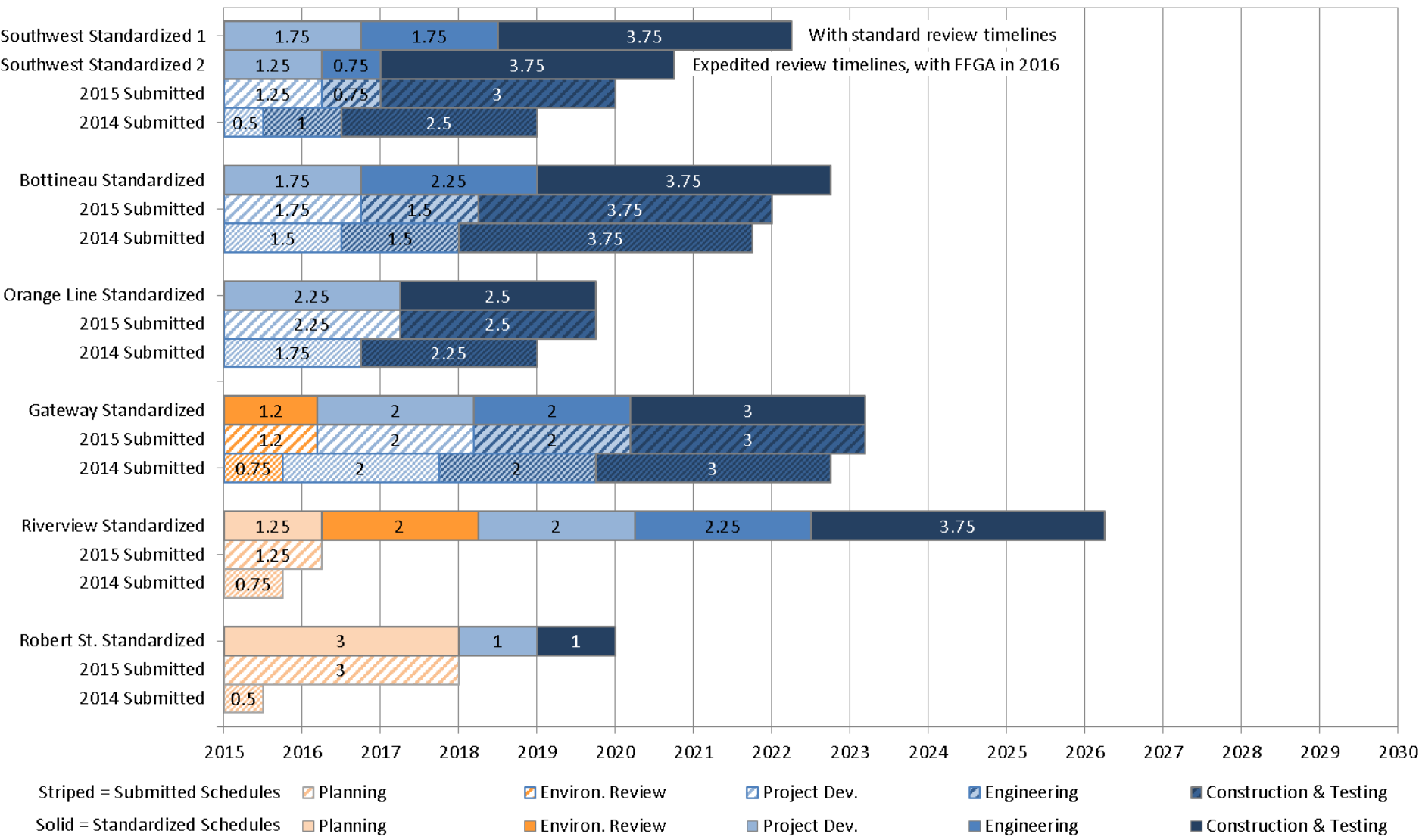
2014 Phase 1 Cash Flow



Dollars in Millions

Technical Readiness

POP Phase 1 Transitway Project Schedules - Submitted and Standardized Draft for Discussion, 04/15/15



Transitway Improvement Projects - Submitted Schedules from 2014 & 2015

Draft for Discussion, 4/15/15



Resource: Sales Tax

CTIB Resource: Sales Taxes

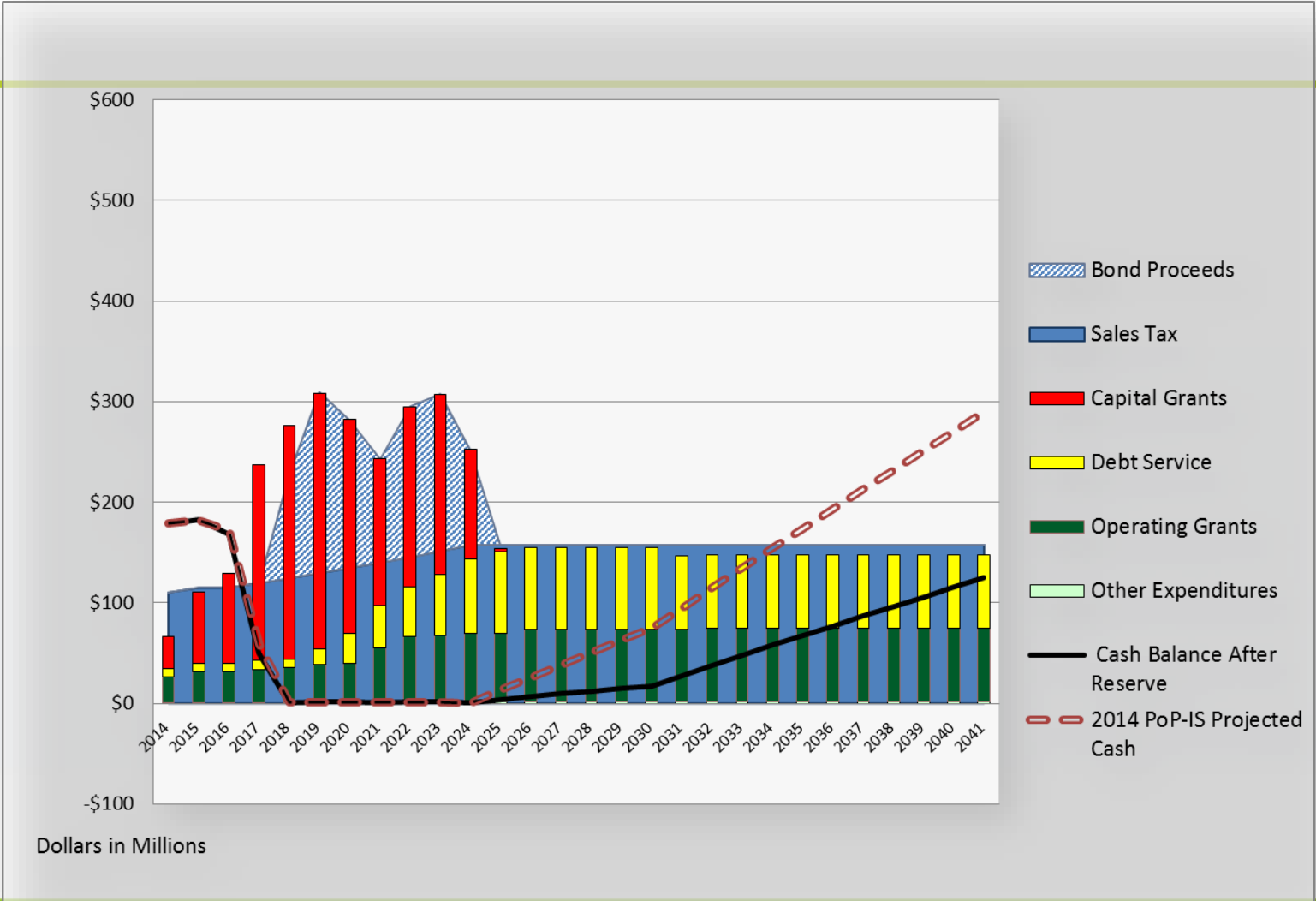
- Five year average annual increase = 5.6%
- YTD vs YTD 2014 = +1.6%
- 2015 PoP Assumptions:
 - No 2016 increase
 - Inflate 9 years at 4%

Sales Tax Update

Month	2012	2013	2014	2015	Variance 2014 to 2015
Jan	\$ 7,431,670	\$ 8,513,593	\$ 9,377,408	\$ 9,885,045	\$ 507,637
Feb	15,899,477	16,840,548	18,501,476	18,345,025	(156,451)
Mar	26,099,393	25,583,336	28,018,530	29,599,555	1,581,026
Apr	33,166,580	35,092,175	36,224,195	38,013,264	1,789,069
May	40,224,967	42,442,880	45,711,494	45,603,440	(108,054)
Jun	48,796,661	51,221,411	55,058,286	55,486,350	428,064
Jul	56,981,539	59,439,252	64,071,835	65,116,232	1,044,397
Aug	65,569,450	68,907,542	73,814,329		
Sep	73,907,939	77,686,498	83,177,354		
Oct	83,939,056	88,533,318	94,240,232		
Nov	92,670,438	98,173,539	104,095,797		
Dec	101,925,793	108,336,256	113,628,834		



Revised Sales Tax Revenues



Financial capacity analysis



Transitway Capital Cost Estimates

- Southwest – New cost estimate, CTIB funding is fixed.
- Bottineau – Updated cost estimate coming later in 2015.
- Gateway – Forward progress. No engineering work to inform cost indication
- I-35W S BRT – Level of engineering is very low, and only on the Lake Street portion.



Transitway Capital Cost Estimates

- Riverview LRT – Cost indications derived by CTIB from standard cost figures and length of line.
- Robert Street Arterial BRT – Project has been delayed so land use and density targets can be studied.

Transitway Improvements

- Proposed Substitution #1

- Rescind 5 Blue Line vehicles
- Fund 5 Blue Line vehicles

30% or \$6.0M
30% or \$7.5M (est.)

- Proposed Substitution #2

- Defer Ft. Snelling park 'n ride
- Fund MOA station

30% or \$2.6M
80% of transitway portion or \$6.0M

- Proposed Substitution #3

- Defer Northstar safety – Foley
- Fund Northstar safety – Hanson

50% or \$10.8M
35% or \$8.1M

2014-2015 PoP Phase 1

CTIB Transitways

- Southwest LRT
- Bottineau LRT
- Orange Line BRT
- Gateway BRT
- Robert St if ABRT
- Riverview if LRT

Transitway Improvements

- Blue Line vehicles
- Mall of America Station
- Northstar safety –
Armstrong & Hanson
- Red Line Cedar Grove
- Red Line Stage 2
- Red Rock BRT

Phase 1 Cost Indications

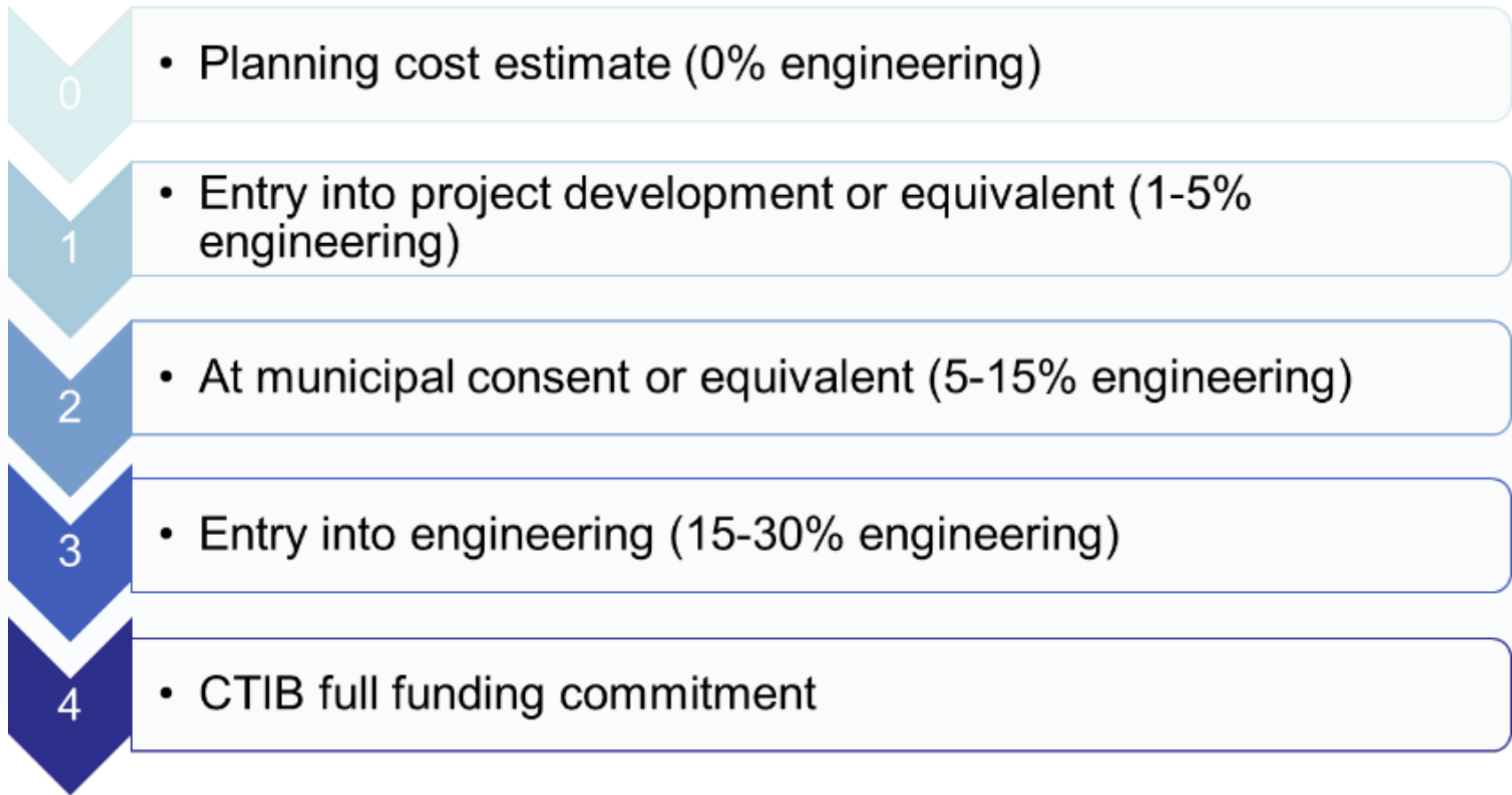
	Federal	CTIB	State	Local/ Other	Met Council	Other	Total
Bottineau LRT	491.1	310.7	100.2	100.2	-	-	1,002.3
Gateway - EBRT	218.3	169.8	48.5	48.5	-	-	485.0
Orange Line (I35W S)	73.1	45.2	15.1	7.9	2.2	7.2	150.7
Riverview LRT (Standard cost est.)	-	836.0	104.5	104.5	-	-	1,045.0
Robert Street ABRT	-	22.1	2.8	2.8	-	-	27.6
Southwest LRT	826.8	496.0	165.4	165.4	-	-	1,653.5
Phase 1 Transitways	\$1,609.3	\$1,879.8	\$436.4	\$429.2	\$2.2	\$7.2	\$4,364.1
Blue Line - 5 vehicles	11.2	6.0	-	-	2.8	-	20.0
Northstar - Safety Imp. Armstrong	1.5	10.2	11.6	5.6	-	8.6	37.5
Northstar - Safety Imp. Foley	-	-	-	-	-	-	-
Northstar - Safety Imp. Hanson	-	8.1	11.6	2.3	-	1.2	23.2
Red Line BRT - Cedar Grove	-	10.4	1.3	1.3	-	-	13.0
MOA Station	7.0	2.2	5.0	-	2.0	8.8	25.0
Red Line BRT Stage 2	19.7	19.7	19.7	7.0	-	7.5	73.5
Red Rock HBRT	27.5	16.5	5.5	5.5	-	-	55.0
Transitway Improvement Projects	\$66.9	\$73.1	\$54.7	\$21.7	\$4.8	\$26.0	\$247.1
Total Capital Indication	\$1,676.2	\$1,952.9	\$491.1	\$450.9	\$7.0	\$33.2	\$4,611.2



Operating cost estimates

- Upward pressure on net operating cost estimates for new projects

Cost Estimate Confidence Ratings





Capital Cost Confidence Rating

	Total	Confidence Rating
Bottineau LRT	1,002.3	1.0
Gateway - EBRT	485.0	-
Orange Line (I35W S)	150.7	1.0
Riverview LRT (Standard cost est.)	1,045.0	-
Robert Street ABRT	27.6	-
Southwest LRT	1,653.5	4.0
Phase 1 Transitways	\$4,364.1	1.8 <i>weighted</i>

2015 Grant Solicitation

Eligible Transitways 2015

	<u>Cost Indication</u>
Blue Line extension (Bottineau) LRT	\$ 42.0 M
Green Line extension (Southwest) LRT	125.0 M
Gold Line (Gateway) EBRT	8.4 M
Orange Line (I35W S) HBRT	<u>10.7 M</u>
Total	\$186.1 M

Eligible Transitway Improvements 2015*

	<u>Cost Indication</u>
Northstar Safety – Hanson	\$ 8.1 M
Mall of America	<u>6.0 M</u>
Total	\$14.1 M

* As submitted by project sponsors. CTIB percentage share and amount of any grant will be established at the time of grant award.

Transportation Improvements

Blue Line Vehicles

- \$6.0 million 2014 grant (30%)
- Option expires September 2015
- Cost estimate if option expires is \$1 million+ per vehicle
- Request was made to rescind 2014 grant and resubmit in 2015 for \$7.5 million
- CITB loan options are being explored to permit Met Transit purchase at lower price

Eligible Operating Grants 2015

	<u>Cost Indication</u>
Cedar Ave. BRT (Red Line)	\$ 1.5 M
Cedar Ave. Express Bus	0.5 M
Central Corridor LRT (Green Line)	11.8 M
Hiawatha LRT (Blue Line)	11.2 M
I-35W South Express Bus	0.2 M
Northstar Commuter Rail	<u>6.6 M</u>
Total	\$31.8 M

Summary of Cost Indications

Capital Grants:

Transitways	\$186.1 M
Transitway Improvements	14.1 M
Operating Grants	31.8 M
Washington County Guarantee	<u>4.2 M</u>
Total	\$236.2 M
Recommended Grant Amount	\$240.0 M

Conclusions

Conclusions

- Progress is being made to advance transitway projects
- Up to \$240 million may be needed for grants for pay 2016
- No bonding anticipated until 2017 at the earliest
- Adjustments to funding levels for projects may need to be modified

Cautions

- Level of FTA funding that can be achieved
- Lack of state financial support
- Unexpected Sales Tax revenue pattern & lower amount
- 1.8 Cost Estimate Confidence Rating

Response to Cautions

- Continue aggressive pursuit of federal funding
- Continue to work to get more tax revenue to fund state share
- Monitor Sales Tax revenues; continue research on collection aberrations
- Review advisability of a capital reserve to address capital costs variances and transitway improvement needs

Questions?

Commissioner Peter McLaughlin

CTIB Chair

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