

APPENDIX H FINANCIAL ANALYSIS

Central Corridor
Light Rail Transit



FINANCIAL MANAGEMENT PLAN

(Rev. 01.00)

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Submitted by
The Central Corridor Project Office

On behalf of
The Metropolitan Council

REVISION HISTORY

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SUMMARY OF FINANCIAL PLAN CHANGES AND IMPROVEMENTS

This is a new version of the financial plan and builds on the financial plan presented in Chapter 6: Central Corridor LRT Financial Report (M-3 Project Finance Plan) of the "Draft New Starts Application & PMP — 29 June 2006".

REVISED ASSUMPTIONS AND NEW INITIATIVES

While many assumptions have been retained from the 2006 Financial Plan, significant breakthroughs in transit funding have been achieved in the interim and are reflected in this Financial Plan. The State of Minnesota and the metropolitan region have enacted substantial new transit funding initiatives since the 2006 Financial Plan. These updated assumptions underlie the consistent presentation of Metropolitan Council's financial capacity to undertake the Central Corridor Project. The key variances include:

- **Capital Cost Estimate:** The capital cost estimate has been updated to reflect the completion of 30 percent design plans as part of the preliminary engineering project development phase. The year-of-expenditure (YOE) cost estimate is \$914.9¹ million (inclusive of prior year expenditures). The capital cost estimate also includes estimated financing costs that will be incurred for bonding.
- **Near-Term Infrastructure Renewal:** The Financial Plan uses Metropolitan Council's *2008-2013 Capital Improvement Program* (CIP) as the basis for modeling near-term capital renewal investment costs, including bus and rail fleet renewal and other non-fleet renewal costs (such as guideway maintenance, facilities maintenance, ADA improvements, and ancillary capital investments)².
- **Commitment of State Funds:** The state remains committed to funding its share of the project with General Obligation bonds. The revised plan calls for the state to carry 10% of the total capital cost. The state has already authorized \$83 million in three separate legislative sessions.
- **Commitment of Local Funds:** The RCRRA Board and the HCRRA Board remain committed to fund the project from their dedicated property taxes; the amount of their funding in the revised plan comes to 10% of the project. RRAs have the authority to levy a property tax which is limited to .04835 percent of the market value of all taxable property within the county. RRAs are also authorized to issue debt under chapter 398A. The two authorities have committed \$90.0 million share to the long run plan; in addition, for one year they have committed an additional amount which enables the project to achieve 100% local financial commitment.
- **CTIB Capital Funding:** Five counties in the Metropolitan Region have united to form a Counties Transit Improvement Board (CTIB) with 1/4 % sales tax on sales within their boundaries dedicated to transit; a current resolution commits to fund 30% of the CCLRT capital cost, or \$274 million³ together with 50% of the operating deficit.⁴
- **Wage inflation assumptions:** We have revised the annual inflation rate to 3% for the CCLRT capital and to 3.15% for operating cost/CIP based on separate analyses of Metro Transit operating expense and labor expense history to conform to current experience; both operating cost inflation and energy costs are the subjects of separate risk analyses.
- **Operating Funds**
 - *Central Corridor Operating:* the implementation of the CTIB provides a source of both capital and operating funds for the additional local operating assistance required for the

¹ System Cost Categories Template 8/30/08

² Metropolitan Council

³ CTIB Resolution #17-CTIB-2008 adopted 8-20-08

⁴ CTIB Resolution #17-CTIB-2008 adopted 8-20-08

- o CCLRT; the CTIB is committing to fund 50 % of the Central Corridor operating deficit (operating cost net of farebox revenue)⁵
 - o The State will provide the other 50% of the operating assistance for the project, following the precedent established in the Hiawatha LRT project
 - o *Other Metro Transit Operating:* The constitutional question to dedicate 100% of the MVST revenues to transportation passed in November 2006, so the Metropolitan Council's share of statewide MVST revenues for transit will grow from 21.5% in 2006 to 36% in 2012, or from approximately \$116 m in 2006 to \$175 m in 2012; this is the primary source for non-project operating assistance in this financial plan.
- Projection of Future FTA Section 5307 Formula Funds: The 2006 Plan increased FTA Section 5307 Formula Funds at a fixed annual growth rate. The FY 2009 Financial Plan builds up the projected FTA Section 5307 funds from modeled data on service area population and density, bus revenue miles, fixed guideway revenue miles, and fixed guideway directional route miles. This approach directly accounts for the growth in service and population that is projected over the 30-year period of the Plan.
- Risk and Uncertainties: The FY 2009 Financial Plan includes expanded analysis and discussion of risks and uncertainties that could potentially impact the financial viability of the project. This included sensitivity analyses of revenue sources and expenses to indicate the impact of potential cost increases and revenue shortfalls. The following scenarios were tested:
 - o Higher Than Expected Inflation
 - o Higher than expected energy expense
 - o Delayed Federal Payments
 - o Project Cost Overrun of 20%

ASSUMPTIONS RETAINED FROM PREVIOUS PLAN

The critical financial plan assumptions which have been retained include:

- Non-Farebox Operating Revenues: Are auxiliary sources of revenue for the Metropolitan Council including interest income and advertising
- State and Local Sources:
 - o Motor Vehicle Sales Tax (MVST): Motor Vehicle Sales Tax revenues have been the largest source of operating funds for Metropolitan Council Transportation Division. The average annual growth rate of the MVST over its history from 1973 to 2007 is 4.9% per annum; the prospective portion of the MVST revenues has increased as described under "revised assumptions," above.
 - o The Metropolitan Council is a component unit of the State of Minnesota and the state has consistently provided a material part of the operating budget from general state appropriations
- Planned Implementation Schedule: Startup of Central Corridor LRT operations is still planned for 2014.
- Baseline Levels of Service: a realistic background rate of service growth is consistent with the projections in the regional travel demand model and represent an increase of approximately 10% by 2030
- Fare Policy and Fare Revenues: the Metropolitan Council's formal fare policy to which it has adhered maintains fares at the rate of transit cost inflation; it is implemented through a requirement for a fare increase whenever the farebox ratio drops below 28.5%, and that policy is replicated in the financial plan projections

⁵ CTIB Resolution #17-CTIB-2008 adopted 8-20-08

INTRODUCTION

The primary funding partners with the Federal Transit Administration (FTA) in this project will be the Metropolitan Council, the State of Minnesota, the Counties Transit Improvement Board (CTIB), Ramsey County Regional Railroad Authority, and Hennepin County Regional Railroad Authority.

PROJECT SPONSOR

Metropolitan Council is the project sponsor and grant applicant for the Central Corridor Light Rail Transit Project and will work in partnership with the FTA, State of Minnesota, the CTIB, Ramsey County, and Hennepin County for the successful construction and operation of the service.⁶

The Metropolitan Council consists of 17 members appointed by the Governor of the State of Minnesota and develops, in cooperation with local communities, a comprehensive regional planning framework. The Council is the metropolitan planning organization for the Twin Cities (Minneapolis and St. Paul) region and has statutory responsibility for the formulation of the Transportation Improvement Program (TIP) and the Long Range Transportation Plan (LRTP). Counties within the jurisdiction of Metropolitan Council include Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Metropolitan Council responsibilities include the identification of needed transportation improvements and the determination of appropriate funds to be applied to these projects. Metropolitan Council has three major areas of responsibility: transportation, environmental services and community planning and development. Additional areas of responsibility include public housing, regional parks, and water usage coordination.

Description of the Metropolitan Council and its Major Service Divisions

The Metropolitan Council was established by the Minnesota Legislature in 1967. The Council provides cost-effective transit and wastewater services, coordinates economic development, and assists communities as they plan for anticipated growth.

The Council has jurisdiction in the seven-county Minneapolis-St. Paul region comprising Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties. The Council:

- Provides an average of 252,000 bus and rail rides each weekday.
- Collects and treats up to 300 million gallons of wastewater daily, protecting public health and the environment.
- Plans and helps fund a system of regional parks and trails – 53,000 acres in all.
- Provides affordable housing opportunities to households with low incomes.

The Council develops, in cooperation with local communities, the 2030 Regional Development Framework, a set of policies to guide the efficient growth of the region and help maintain the region's economic competitiveness.

The Council carries out the Framework, in part, through its plans for “regional systems” – transportation, airports, regional parks, and water resources.

The Council accomplishes its responsibilities through three primary organizational divisions focusing on transportation, the environment and community development. These divisions are supported by

⁶ Source: “Memorandum of Understanding between the Metropolitan Council, the Ramsey County Regional Railroad Authority, and the Hennepin County Regional Railroad Authority Regarding Future Funding of the Central Corridor Transitway,” executed 8-29-06 by HCRRA, RCRRA, and Metropolitan Council

administrative and service units. The Council has approximately 3,700 employees and annual expenditures of approximately \$700 million to carry out its planning and service functions.

The Community Development Division is responsible for the Council's regional growth strategy, planning and technical assistance to local communities and parks and open space. This division also includes the Metropolitan Housing and Redevelopment Authority (Metro HRA) and the Livable Communities program.

The Environmental Services Division (MCES) collects and treats an average of 300 million gallons of wastewater each day from 104 communities, achieving near-perfect compliance with federal and state clean water standards. It also provides water resources monitoring and analysis for the region, and partners with numerous public and private groups committed to a clean environment. MCES operates and maintains approximately 600 miles of regional sewers and treats up to 300 million gallons of wastewater daily at eight regional treatment plants. Serving nearly 90% of the seven-county area population, MCES provides cost-effective wastewater service to 104 communities.

The Transportation Division includes Metro Transit and Metropolitan Transportation Services.

- **Metro Transit** is one of the country's largest transit systems, providing roughly 95% of the 73 million bus trips taken annually in the Twin Cities. Each weekday customers board Metro Transit buses an average of 231,000 times. Metro Transit operates 121 routes — 64 local-service routes and 49 express routes — and 8 contract service routes, using a fleet of 949 buses. The majority of the company's fleet (794) is standard 40-foot buses while 155 are articulated ("accordion") buses. All Metro Transit buses are equipped with wheelchair lifts or ramps.
- **Metropolitan Transportation Services** develops the overarching transportation plan for the region and prepares the short-range capital improvement program for all transportation projects using federal transportation funds. It also coordinates regional aviation system planning. The unit operates Metro Mobility, the region's primary service for people with disabilities, and a network of 42 regular routes run by private providers under contract to the Council. It also promotes alternative modes of transportation through the programs operated by Metro Commuter Services and travel-demand management organizations in the region.

Within these primary divisions are departments that support the day-to-day work of the Council.

Organization and Structure

The Council delivers regional services to communities and the public through these divisions and operating areas: Regional Administration/Chair's Office, Community Development, Transportation, and Environmental Services.

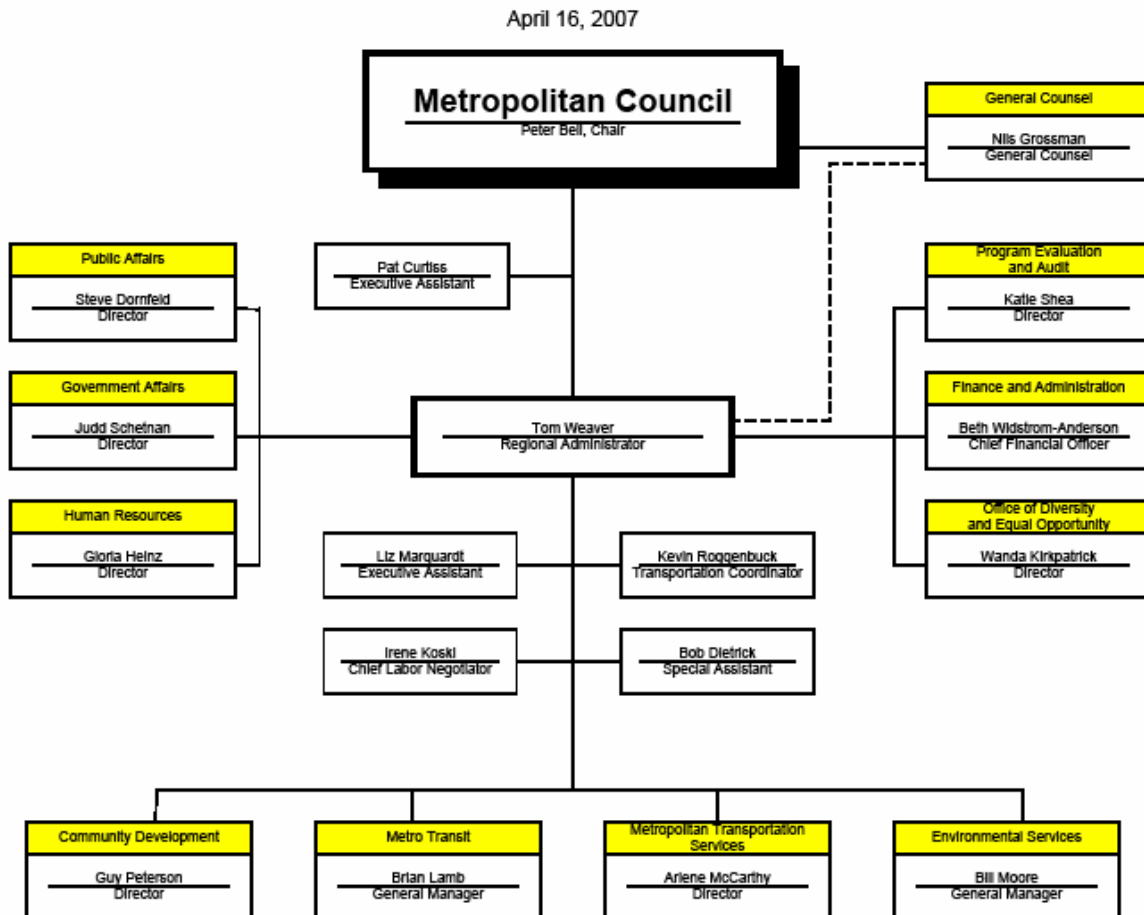
The Metropolitan Council has 17 members who are appointed by and serve at the pleasure of the governor. Sixteen Council members represent geographic districts of equal population across the region. The Council chair, the 17th member, serves at large. The role of Council members is to provide a regional perspective and work toward a regional consensus on issues facing the metropolitan area.

All meetings of the Council and its subcommittees are open to the public.

The Council has staff of 3,700 and an annual operating budget of about \$700 million, 90 percent of which is funded by state appropriations and user fees such as wastewater treatment charges and transit fares. Just 10 percent comes from local property taxes. The bulk of the Council's employees operate the region's transit and regional wastewater treatment systems. Of its budget, the Council spends about \$80 million on

grants to local jurisdictions for regional park operations and community development projects, and on housing assistance for low-income families.

An organizational chart for the Metropolitan Council follows showing the major service areas and the major support and administrative functions.



Major Non-Transit Capital Projects

The capital improvement program proposes capital spending of almost \$4.4 billion over the 23 years from 2008 to 2030 inclusive. Yearly expenditures are in a range of \$144 million to \$233 million. The non-transit elements for capital projects are environment services-wastewater services and parks and open space.

Environmental Services – Wastewater Services

The Environmental Services Division is responsible for ensuring that sufficient wastewater treatment capacity exists to serve regional development, that wastewater is treated to preserve water quality in the region and that wastewater services are provided in a cost and quality competitive manner. The

Environmental Services Division plans capital spending of almost \$4 billion for capital improvements during the 2008 to 2030 timeframe.

The capital program provides capital investments to preserve and rehabilitate existing wastewater infrastructure, meet higher water and air quality regulations and expand the system capacity to meet regional growth needs. Major projects include the following:

- Metro Treatment Plant
- East Area Treatment Plant
- West Area Treatment Plant
- Interceptors
- Rural Area Improvements
- Systemwide Improvements

On the financing side of the capital program, the Environmental Services Division uses a variety of methods to keep long-term borrowing levels and costs as low as possible, although long-term debt issuance provides the vast majority of project funding. The Council has authorized the Division to utilize loans from the Minnesota Public Facilities Authority to the maximum extent available to finance capital projects. These loans typically provide the Council with a 150 basis point interest subsidy and over the term of the loan reduce debt service costs and thus rates for wastewater services.

Parks and Open Space

The Metropolitan Council and the Metropolitan Parks and Open Space Commission are responsible for planning a regional recreation open space system and implementing the system through capital grants to local park implementing agencies. Parks and trails in the regional park system are owned and operated by ten regional park implementing agencies. These agencies prepare master plans for each park and trail unit that describe land to be acquired and recreational facilities to be developed or redeveloped and estimate capital costs. The Council reviews the master plans for consistency with the regional plan and must approve the master plans before any funds can be granted from the capital improvement program.

Regional park capital grants are funded from state bonds, Legislative Commission on Minnesota Resources (LCMR) funds and regional bonds. A request for state funding for regional parks is included in the Governor's Capital Budget submitted to the Legislature. If the state funds appropriated are less than the amounts in the capital improvement program, the program is scaled back to reflect the lower level of state funding. Regional bonding not needed to match state funding on a 60 percent/40 percent matching formula is available for land acquisition opportunity grants. The most recent regional parks capital improvement program includes requested capital projects and funding for the 2006/2007 state biennium and proposed capital projects and funding for the 2008/2009 and 2010/2011 state fiscal years.

Capital projects total \$412 million for 2008-2030 and are comprised of the following categories of expenditure:

- Land Acquisition
- Park Development
- Park Redevelopment

The following table shows the adopted Capital Improvement Program Non-Transit in terms of sources and uses of funds.

Metropolitan Council
Consolidated Capital
thousands of dollars
NON-TRANSIT

Sources of Funds

Uses of Funds

Surplus/(Deficit)

Sources of Funds

Uses of Funds

Surplus/(Deficit)

Sources of Funds

Uses of Funds

Surplus/(Deficit)

Non-Transit Capital Program of Metropolitan Council (Continued)

Metropolitan Council
Consolidated Capital
 thousands of dollars
 NON-TRANSIT

Parks and Open Space

Sources of Funds

State	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Regional	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Local/Other										
Total Sources	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500	\$ 17,500

Uses of Funds

Acquisition	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584	\$ 9,584
Development	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157	4,157
Preservation	3,759	3,759	3,759	3,759	3,759	3,759	3,759	3,759	3,759	3,759
Total Uses	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500

Surplus/(Deficit)

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Environmental Services

Sources of Funds

Pay-As-You-Go	\$ 27,000	\$ 29,000	\$ 31,000	\$ 33,000	\$ 35,000	\$ 37,000	\$ 39,000	\$ 41,000	\$ 43,000	\$ 45,000
Local	0	0	0	0	0	0	0	0	0	0
Regional	138,000	141,000	144,000	147,000	150,000	153,000	156,000	159,000	162,000	165,000
Total Sources	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 200,000	\$ 205,000	\$ 210,000

Uses of Funds

Metro Treatment Plant	\$ 11,309	\$ 11,652	\$ 11,994	\$ 12,337	\$ 12,680	\$ 13,023	\$ 13,365	\$ 13,708	\$ 14,051	\$ 14,393
East Treatment Plants	7,245	7,464	7,684	7,903	8,123	8,343	8,562	8,782	9,001	9,221
West Treatment Plants	23,585	24,299	25,014	25,729	26,444	27,158	27,873	28,588	29,302	30,017
Interceptors	109,297	112,609	115,921	119,233	122,545	125,857	129,169	132,481	135,793	139,105
Rural Area Improvements	2,027	2,088	2,150	2,211	2,273	2,334	2,395	2,457	2,518	2,580
Systemwide Improvements	11,538	11,887	12,237	12,587	12,936	13,286	13,636	13,985	14,335	14,684
Total Uses	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 200,000	\$ 205,000	\$ 210,000

Net Delay Factor

Total Uses Adjusted for Delays	\$ 165,000	\$ 170,000	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 195,000	\$ 200,000	\$ 205,000	\$ 210,000
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Surplus/(Deficit)

- - - - - - - - - -

Consolidated

Sources of Funds

State	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500	10,500
Local	-	-	-	-	-	-	-	-	-	-
Regional Bonds	145,000	148,000	151,000	154,000	157,000	160,000	163,000	166,000	169,000	172,000
Pay-As-You-Go	27,000	29,000	31,000	33,000	35,000	37,000	39,000	41,000	43,000	45,000
Total Sources	\$ 182,500	\$ 187,500	\$ 192,500	\$ 197,500	\$ 202,500	\$ 207,500	\$ 212,500	\$ 217,500	\$ 222,500	\$ 227,500

Uses of Funds

Parks	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500
Environmental Services	165,000	170,000	175,000	180,000	185,000	190,000	195,000	200,000	205,000	210,000
Total Uses of Funds	\$ 182,500	\$ 187,500	\$ 192,500	\$ 197,500	\$ 202,500	\$ 207,500	\$ 212,500	\$ 217,500	\$ 222,500	\$ 227,500

Surplus/(Deficit)

\$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Operating Sources and Uses of Funds

The Council is organized into three operating divisions: Transportation, Environmental Services, and Community Development. These divisions are supported by central administrative units. The operating divisions and other major units report to the Regional Administrator who, in turn, reports to the 17-member Council board. The Regional Administrator is responsible for ensuring that policy decisions of the Council are carried out, for organizing and directing the work of Council staff, for preparing and submitting an annual budget and for keeping the Council fully apprised of the financial condition of the Council. The following material addresses only the non-transit operating divisions.

Environmental Services Division

Wastewater operations and debt service are 100 percent funded by user fees.

The Environmental Services division annual budget focuses on meeting the objectives and expected outcomes that align with the strategic goals of the Council and the division. The following considerations were the top priorities in the development of the 2008 MCES budget.

- Meeting regulatory requirements
- Retaining competitive fees and rates
- Meeting customer expectations for quality and level of service
- Addressing watershed capacity and pollutant load issues
- Fully funding the current cost of all programs

In the 2008 budget, the Environmental Services division expects 5% of its revenues from pay-as-you-go and 95% of its revenue from regional user fees.

Community Development Division

The Community Development Division conducts planning and policy development to support regional growth and reinvestment. The unit awards grants to local governments and provides technical assistance to help them carry out their comprehensive plans. It also provides housing assistance to lower-income households. In 2008, Community Development will focus its resources, tools and incentives on implementation of the Regional Development Framework, the Council's regional growth plan. The Regional Development Framework is a comprehensive strategy for focusing regional policies and investments on integrating transportation, housing, development, and environmental protection to support the region's quality of life. The Housing and Redevelopment Authority includes two major programs – the Rent Assistance program providing more than 6,800 HUD Section 8 rental vouchers and the Family Affordable Housing Program, which rents 150 housing units owned and operated by the Council to low-income households. Funding for this division is provided primarily by Federal funds, which account for about 80 percent of operating revenue. The operating revenue balances roughly \$5.5 million in annual housing and community development programs.

Regional Administration

The Council's central administrative units are organized as Regional Administration and, like the three operating divisions, report to the Regional Administrator. These units establish administrative policies for the organization and support the three operating divisions. Regional Administration consists of functions such as human resources, finance, legal, purchasing, and risk management that provide Council-wide shared services to the operating divisions of the Council. The majority of the Regional Administration budget is allocated to the operating divisions of the Council. Regional Administration's major priority for 2008 will be to continue supporting the Council's operating units by providing high-quality, cost-effective services.

By contrast to MES, Regional Administration and Community Development projected expenditures are \$256 million and \$176 million, respectively for the 2008 to 2030 time period. Funding for these activities comes from a mix of funds; property taxes, State, Federal, and local funding. Over the 23 years period revenues are forecast to slightly exceed expenditures by about \$6.5 million.

The table on the following page provides a summary of the Metropolitan Council's sources and uses of funds for non-transit operations.

Debt Service Funding

Two non-transit Metropolitan Council operating units issue debt for capital programs. The Parks program is projected to issue \$7 million per year through 2030 and retire a similar amount annually. By year 2030 outstanding debt is projected at \$18.5 million. Debt service for interest expense and principal retirement is met from property tax revenues and small amount of projected interest income. Details on the projected Parks debt service are provided on page 16.

Environmental Services debt service needs are forecast each year as an element of the Capital Finance Plan (CFP), which is based on the projected capital budget outlined in the Capital Improvement Program (CIP). The 2008 annual budget for Environmental Services includes \$3 million to directly pay for capital projects (Pay-As-You-Go). This eliminates needed financing in the amount of \$3 million. The CIP details the Division's capital projects and the associated cash flow requirements. The CFP combines this information with pay-as-you-go funds available, interest rate assumptions, current debt obligations and debt leveling requirements to form a debt service forecast. In 2008, debt service costs account for 43.5 percent of the budget. Debt service is included in the Metropolitan Council Environmental Services Annual Budget because it is funded by wastewater revenues, as required by state statute. However, it is not considered an operating expense in the Unified Operating Budget.

Environmental Services is budgeted to issue \$141 million in debt in 2008, increasing to \$169 million by year 2030. Debt service for interest expense and principal retirement is met from user charges for wastewater treatment. By year 2030 outstanding debt is projected at \$ 1,967 million from the current level in 2008 of \$1,014 million. Details on the projected Environmental Services debt service are provided in the table on page 17.

Metropolitan Council Non-Transit Operating Revenues and Expenses

Metropolitan Council

Consolidated Operating Revenue and Expense

(Year of Expenditure Dollars in T)	2008	2009	2010	2011	2012	2013	2014	2015	2011-2015	2016-2020	2021-2025	2026-2030
Non-Transit Metropolitan Council Operations												
Operating Revenues												
Wastewater Fees	\$ 114,658	\$ 117,599	\$ 126,289	\$ 131,733	\$ 138,062	\$ 143,949	\$ 149,953	\$ 156,077	\$ 719,774	\$ 876,709	\$ 1,050,034	\$ 1,243,000
Property Taxes	8,759	8,759	8,847	8,935	9,025	9,115	9,206	9,298	\$ 45,579	\$ 47,904	\$ 50,348	\$ 52,916
State	506	554	563	572	581	591	601	611	\$ 2,956	\$ 3,209	\$ 3,492	\$ 3,808
Federal	4,346	4,443	4,577	4,714	4,855	5,001	5,151	5,306	\$ 25,028	\$ 29,014	\$ 33,635	\$ 38,992
Local	1,001	849	875	901	928	956	985	1,014	\$ 4,783	\$ 5,545	\$ 6,428	\$ 7,452
Other	4,346	3,818	4,267	4,076	4,086	4,095	4,104	4,113	\$ 20,474	\$ 20,712	\$ 20,962	\$ 21,224
Total Revenues	<u>\$ 133,617</u>	<u>\$ 136,023</u>	<u>\$ 145,418</u>	<u>\$ 150,932</u>	<u>\$ 157,537</u>	<u>\$ 163,707</u>	<u>\$ 169,999</u>	<u>\$ 176,419</u>	<u>\$ 818,594</u>	<u>\$ 983,093</u>	<u>\$ 1,164,899</u>	<u>\$ 1,367,392</u>
Operating Expenses												
Regional Planning and Admin*	\$ 10,739	\$ 10,490	\$ 10,138	\$ 10,239	\$ 10,340	\$ 10,442	\$ 10,546	\$ 10,650	\$ 52,218	\$ 54,856	\$ 57,629	\$ 60,543
Wastewater Services	119,060	121,524	129,004	134,248	140,577	146,464	152,468	158,592	\$ 732,349	889,284	1,062,609	1,255,575
Metro HRA	5,583	5,595	5,763	5,936	6,114	6,297	6,486	6,681	\$ 31,514	36,533	42,352	49,098
Total Expenses	<u>\$ 135,382</u>	<u>\$ 137,609</u>	<u>\$ 144,905</u>	<u>\$ 150,423</u>	<u>\$ 157,031</u>	<u>\$ 163,204</u>	<u>\$ 169,500</u>	<u>\$ 175,923</u>	<u>\$ 816,081</u>	<u>\$ 980,673</u>	<u>\$ 1,162,590</u>	<u>\$ 1,365,215</u>
Net Income/(Loss)	(1,765)	(1,585)	513	509	506	503	499	496	2,513	2,420	2,309	2,177

*Regional Planning and Administration expenses are net of cost allocations. Expenses allocated to operating divisions are included in division expense totals.

Parks Debt Service

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Property Tax Levy	7,462,560 99.0%	7,492,349 99.0%	7,521,276 99.0%	7,626,158 99.0%	7,730,620 99.0%	7,828,730 99.0%	7,922,849 99.0%	8,019,921 99.0%	8,049,886 99.0%	7,813,491 99.0%	7,848,995 99.0%	7,838,455 99.0%
Revenues:												
Property Taxes	7,387,934	7,417,425	7,446,064	7,549,897	7,653,314	7,750,442	7,843,620	7,939,722	7,969,387	7,735,356	7,770,505	7,760,071
Interest	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Total Revenues	7,507,934	7,537,425	7,566,064	7,669,897	7,773,314	7,870,442	7,963,620	8,059,722	8,089,387	7,855,356	7,890,505	7,880,071
Expenditures:												
Principal Retirement	9,775,000	6,635,000	6,655,000	6,700,000	6,805,000	6,895,000	6,990,000	7,075,000	7,170,000	7,205,000	6,985,000	7,010,000
Interest Expense	597,503	511,325	499,125	490,925	471,175	476,075	478,400	477,813	473,438	468,263	465,413	465,488
Total Expenditures	10,372,503	7,146,325	7,154,125	7,190,925	7,276,175	7,371,075	7,468,400	7,552,813	7,643,438	7,673,263	7,450,413	7,475,488
Outstanding Debt												
Debt Issued	9,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Debt Retired	9,775,000	6,635,000	6,655,000	6,700,000	6,805,000	6,895,000	6,990,000	7,075,000	7,170,000	7,205,000	6,985,000	7,010,000
Year End Outstanding Debt	17,625,000	17,990,000	18,335,000	18,635,000	18,830,000	18,935,000	18,945,000	18,870,000	18,700,000	18,495,000	18,510,000	18,500,000

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Property Tax Levy	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%	7,838,376 99.0%
Revenues:											
Property Taxes	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993	7,759,993
Interest	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Total Revenues	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993	7,879,993
Expenditures:											
Principal Retirement	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Interest Expense	465,338	465,338	465,338	465,338	465,338	465,338	465,338	465,338	465,338	465,338	465,338
Total Expenditures	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338	7,465,338
Outstanding Debt											
Debt Issued	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Debt Retired	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Year End Outstanding Debt	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000	18,500,000

Environmental Services Debt Service

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues												
SAC Transfers	38,733,000	40,903,000	44,166,000	50,431,000	56,397,000	61,566,000	66,331,000	70,991,000	76,029,000	79,415,000	81,089,000	83,682,000
Sewer Service Charges	48,407,000	52,268,000	55,735,000	57,518,000	61,019,000	66,146,000	72,668,000	80,252,000	88,379,000	96,274,000	98,845,000	100,669,000
Other Sources												
Total Revenues	87,140,000	93,171,000	99,901,000	107,949,000	117,416,000	127,712,000	138,999,000	151,243,000	164,408,000	175,689,000	179,934,000	184,351,000
Expenditures												
Principal Repayment	52,284,000	55,902,600	59,940,600	64,769,400	70,449,600	76,627,200	83,399,400	90,745,800	98,644,800	105,413,400	107,960,400	110,610,600
Interest Charges	34,856,000	37,268,400	39,960,400	43,179,600	46,966,400	51,084,800	55,599,600	60,497,200	65,763,200	70,275,600	71,973,600	73,740,400
Debt Service	87,140,000	93,171,000	99,901,000	107,949,000	117,416,000	127,712,000	138,999,000	151,243,000	164,408,000	175,689,000	179,934,000	184,351,000
	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Outstanding Debt												
Debt Issued	141,313,000	188,379,000	175,204,000	147,684,000	156,829,000	126,659,000	112,624,000	117,899,000	122,994,000	109,468,000	132,854,000	135,884,000
Debt Retired	52,284,000	55,902,600	59,940,600	64,769,400	70,449,600	76,627,200	83,399,400	90,745,800	98,644,800	105,413,400	107,960,400	110,610,600
Year End Outstanding Debt	1,014,370,000	1,146,846,400	1,262,109,800	1,345,024,400	1,431,403,800	1,481,435,600	1,510,660,200	1,537,813,400	1,562,162,600	1,566,217,200	1,591,110,800	1,616,384,200
Total Bonds Issued	141,313,000	188,379,000	175,204,000	147,684,000	156,829,000	126,659,000	112,624,000	117,899,000	122,994,000	109,468,000	132,854,000	135,884,000

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Revenues											
SAC Transfers	86,006,000	88,454,000	90,036,000	89,765,000	91,931,000	96,065,000	98,946,950	101,915,359	104,972,819	108,122,004	111,365,664
Sewer Service Charges	102,044,000	103,624,000	103,624,000	103,811,000	101,524,000	103,525,000	106,630,750	109,829,673	113,124,563	116,518,300	120,013,849
Other Sources											
Total Revenues	188,050,000	192,078,000	193,660,000	193,576,000	193,455,000	199,590,000	200,047,000	204,805,000	218,097,382	224,640,303	231,379,512
Expenditures											
Principal Repayment	112,830,000	115,246,800	116,196,000	116,145,600	116,073,000	119,754,000	120,028,200	122,883,000	130,858,429	134,784,182	138,827,707
Interest Charges	75,220,000	76,831,200	77,464,000	77,430,400	77,382,000	79,836,000	80,018,800	81,922,000	87,238,953	89,856,121	92,551,805
Debt Service	188,050,000	192,078,000	193,660,000	193,576,000	193,455,000	199,590,000	200,047,000	204,805,000	218,097,382	224,640,303	231,379,512
	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Outstanding Debt											
Debt Issued	138,914,000	141,944,000	144,975,000	148,005,000	151,035,000	154,066,000	157,096,000	160,126,000	163,157,000	166,187,000	169,217,000
Debt Retired	112,830,000	115,246,800	116,196,000	116,145,600	116,073,000	119,754,000	120,028,200	122,883,000	130,858,429	134,784,182	138,827,707
Year End Outstanding Debt	1,642,468,200	1,669,165,400	1,697,944,400	1,729,803,800	1,764,765,800	1,799,077,800	1,836,145,600	1,873,388,600	1,905,687,171	1,937,089,989	1,967,479,281
Total Bonds Issued	138,914,000	141,944,000	144,975,000	148,005,000	151,035,000	154,066,000	157,096,000	160,126,000	163,157,000	166,187,000	169,217,000

Metropolitan Council Transportation Division

The Metropolitan Council's Transportation Division provides for the operation, administration and coordination of public transit services within the Twin Cities metropolitan area. The transit programs are carried out through two units within the Council's Transportation Division, Metro Transit, which directly operates regular route transit services throughout the region and Metropolitan Transportation Services (MTS), which provides and coordinates transit services within the region through contracts with other providers. On a budget basis, Metro Transit is about 75% of the total operating expenses for the Council's Transportation Division and MTS contracted services makes up the balance of expenditures.

Metro Transit: Metro Transit is the largest direct operator of regular route transit service in the Twin Cities region. Metro Transit directly operates a network of 121 fixed routes. Metro Transit completed construction and began operation of a 12-mile light rail line in the Hiawatha Corridor in June 2004. This rail line has 17 stations. Metro Transit operates a fleet of 949 buses for fixed-route service. The current peak requirement is for 740 vehicles. It has a fleet of 27 light rail cars and uses 27 cars in peak service.⁷ Metro Mobility operates ADA complementary paratransit service in the region. Metropolitan Council has a fleet of 168 vehicles, which are operated by five contractors to provide ADA complementary paratransit service.⁸

Metropolitan Transportation Services: MTS manages the contracted transit service programs in the Twin Cities metropolitan area. These programs include the following:

Metro Mobility: Provides paratransit service as required by the ADA to persons whose disabilities prevent them from using the regular route transit system.

Contracted Regular Route Service: Regular route service is provided by twelve separate contracts with private, governmental, and non-profit organizations.

Community-Based Programs: Dial-a-ride programs are provided through eighteen contracts with private, non-profit and governmental agencies. These programs primarily serve the elderly and persons with disabilities.

VanGo: MTS contracts with a company to provide vanpools. Typically these vanpools are either in areas without regular route transit service or are for individuals who work shifts outside of normal commuting times.

Opt-Out Communities: Twelve communities have chosen to provide their own transit service (known as "opt-out" communities) and are separate transit authorities. Opt-outs provide both regular route and dial-a-ride programs. Opt-outs receive state MVST and general fund revenues through MTS.⁹

Metro Transit will be the Northstar Corridor Commuter Rail operator. Metro Transit will also be the Central Corridor LRT operator. Metro Transit will apply its strong transit organization to both the operation of the Central Corridor LRT and Northstar Corridor Commuter Rail.

Capital Funding for the Transportation Division of Metropolitan Council includes federal, state, and local funding. The Council can issue regional bonds for transit if it receives specific authorization from the State Legislature. Within the statutory bonding authority, the Council issues long-term debt to finance transit projects and has generally balanced the debt service with its property tax proceeds, insulating the transit

⁷ Source: http://www.ntdprogram.gov/ntdprogram/pubs/profiles/2006/agency_profiles/5027.pdf

⁸ Triennial Review FY 2006

⁹ Source: 2008 Unified Operating budget, - Page 5-2

operating budget from the transit debt service. The Council has authorized the Transportation Division to utilize loans from the Minnesota Public Facilities Authority to the maximum extent available to finance capital projects.¹⁰ Operating Funding for the rail services (Hiawatha, Northstar, and the proposed CCLRT) is drawn from the rail project partners. Operating funding for the remainder of the Transportation Division is a mix of motor vehicle sales tax, state appropriations, federal, state, and local funding, investment earnings, and passenger fare and other revenues.¹¹

PROJECT LOCAL FUNDING PARTNERS

LRT was selected by Ramsey County and the Metropolitan Council as the Locally Preferred Alternative for the Central Corridor Project. Funding for the project has been secured from the State of Minnesota, the Counties Transit Improvement Board, and two Regional Rail Authorities.

State of Minnesota

State of Minnesota: The state capital funding will be provided through bonding. It is anticipated that the securities will be general obligation debt. The state of Minnesota has earned the highest ratings from the three rating services, Aa1 from Moody's, AAA from Standard and Poor, and AAA from Fitch. The state has currently authorized \$83 million in general obligation bonds for the Central Corridor LRT project.¹² This amount is shown in years 2007 through 2010 of the capital sources of funds tables. Additional state funds for construction will be made available in advance of the scheduled need in 2010 and on.

Counties Transit Improvement Board

A dramatic demonstration of the commitment of the Minneapolis-St. Paul region to resolute funding of transit programs is the Counties Transit Improvement Board (CTIB). The Board was created in 2008 by enabling state legislation and the concurrence of five counties in the region. The board's purpose is to provide a dedicated source for capital and operating funds for transit projects serving the five participating counties: Hennepin, Ramsey, Anoka, Dakota, and Washington. A ¼% sales tax generated from the five counties will be used to award grants and issue bonds. CTIB is comprised of two annually-appointed county commissioners from each member county and the Chair of the Metropolitan Council. Votes are allocated based on a total of 100 votes. 95 votes are allocated to counties per a weighted formula (50% Sales Tax Revenue; 50% Population). 5 votes are allocated to Chair of Metropolitan Council. In general, CTIB actions require 63 votes and a majority of the counties in favor, except for large long-term bonds. The issuance of large long-term bonds with maturities in excess of 5 years and amounts in excess of one year's Sales Tax revenue require 75 votes and a majority of the counties in favor. In order to evaluate grants, a Grant Evaluation and Ranking System Committee (GEARS) makes grant recommendations to CTIB. GEARS committee members include one county commissioner, one elected city official per 400,000 residents in each county, and the Chair of the Metropolitan Council Transportation Committee. The criteria for grant awards include: (1) being consistent with Met Council's Transportation Policy Plan (TPP); (2) adhering to transitway purposes; and (3) granting each of its County members at least 1% of total Sales Tax proceeds for FY 2009, 2010, and 2011.

Regional Railroad Authorities (RRAs)

Regional Railroad Authorities are established as political subdivisions of the state under Minnesota Statutes (MS) chapter 398A. Under this chapter, RRAs have powers similar to the county for the specific purpose of providing for the planning, preservation and improvement of rail service including passenger rail service and

¹⁰ Source: 2007-2012 Capital Improvement Plan

¹¹ Source: Metropolitan Council 2007 Unified Operating Budget

¹² Minnesota Session Laws 2008, Regular Session; Chapter 365—House File No. 4072 and New Starts Finance Template 7-31-08

to provide for the preservation of abandoned rail right-of-way for future transportation uses. RRAs have the authority to levy a property tax up to .04835 percent of the market value of all taxable property within the county. RRAs are also authorized to issue debt under chapter 398A.

Ramsey County Regional Railroad Authority (RCRRA)

Ramsey County Regional Railroad Authority (RCRRA): RCRRA obtains its funds from a property tax levied under the authority of MS 398A, plus interest earned on balances. This tax is distinct from the Metropolitan Council's property tax authority. The tax is currently levied at a rate of \$10.8 million in 2006, which is considerably less than the levy limit established in MS 398A which would yield approximately \$20 million per year.

Hennepin County Regional Railroad Authority (HCRRRA)

HCRRRA obtains its funds from a property tax levied under the authority of MS 398A, plus interest earned on balances. This tax is distinct from the Metropolitan Council's property tax authority. The tax is currently levied at a rate of \$12.5 million in 2007¹³, which is considerably less than the levy limit established in MS 398A which would yield approximately \$62 million per year.

CAPACITY OF PARTNERS TO FUND THE PROPOSED PROJECT

The Central Corridor LRT is expected to cost \$914.9 million in year-of-expenditure dollars to construct and equip, and place into service.

The Metropolitan Council requests FTA Section 5309 Discretionary New Starts funding for the project in the amount of \$453 million in the FFGA as total New Starts together with \$4.5 million in prior CMAQ funding for the Central Corridor LRT. Other project funding will come from the State of Minnesota, the Counties Transit Improvement Board, Ramsey County Regional Railroad Authority, and Hennepin County Regional Railroad Authority.

State bond funds in the amount of \$83 million have been secured to date. In addition, RCRRA and HCRRRA have adequate cash and bond capacity to provide the remaining local share of preliminary engineering costs in 2008 and 2009.

The Counties Transit Improvement Board has begun to receive a reliable stream from its sales tax revenue. The CCLRT is a priority project for the CTIB, and all of its leveraged funding capacity is potentially available to the project. The CTIB has committed to provide 30% of the capital funding.¹⁴

PROJECT PURPOSE AND NEED

The 10.9-mile long Central Corridor runs between downtown St. Paul and downtown Minneapolis. It is a vibrant and busy area, packed with strong neighborhoods, institutions, businesses, and attractions. The Central Corridor links five major centers of activity in the Twin Cities region - downtown Minneapolis, the University of Minnesota, the Midway area, the state Capitol complex and downtown St. Paul - that contain almost 280,000 jobs. By 2030, this number is expected to grow to 345,000 jobs.

The Central Corridor is key to the region's connectivity. The corridor has regional, statewide and national significance. Interstate 94 (I-94) and the University Avenue are major arteries for car traffic. There are three freight rail lines in the corridor. Amtrak runs along one of them. Major north/south connectors include Interstate 35W (I-35W), I-94 (North of Minneapolis), Interstate 35E (I-35E), and Trunk Highway (TH) 280.

¹³ HCRRRA 2007 Budget at <http://www.co.hennepin.mn.us>

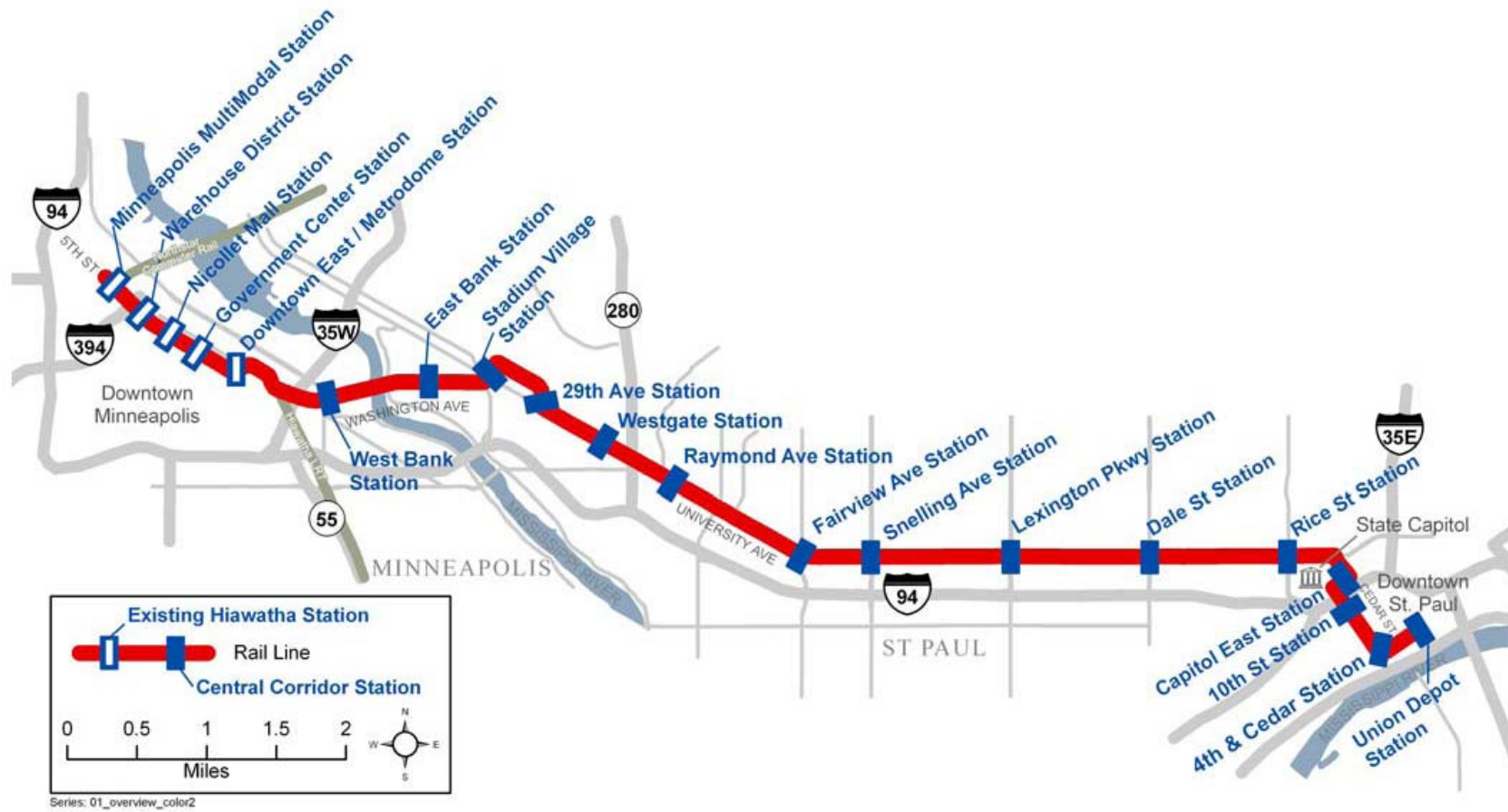
¹⁴ CTIB Resolution #17-CTIB-2008 adopted 8-20-08

This corridor is the backbone, the critical main link in the existing transit system. It is one of the strongest transit corridors in the Midwest, with ridership rivaling that of any transit corridor between Chicago and the West Coast. Transit service in the corridor is provided by buses, which have extremely strong ridership and serve many people who depend upon transit for their trips. The Central Corridor light rail line will serve over 41,690 passengers daily by 2030.

PROJECT DESCRIPTION

The Central Corridor Light Rail Transit consists of 10.9 miles of exclusive right of way between downtown St. Paul and downtown Minneapolis. It will connect the existing Hiawatha line at the Metrodome station and terminate at the new Minneapolis multimodal station that will also serve the new Northstar commuter rail line. The project will require 31 new light rail transit vehicles, each with 66 seats and comfortable standing room for an additional 70 people. There will be 15 new stations, plus five stations shared with the Hiawatha line in downtown Minneapolis. Trains will operate every 7½ minutes during peak travel periods, with a travel time of 35 minutes between downtown St. Paul and downtown Minneapolis. Projected Weekday Ridership is 36,570 on opening year 2014 and 41,690 by 2030. The project entered preliminary engineering on December 13, 2006, is scheduled to enter final design in 2009, is scheduled to be built largely during fiscal years 2010 through 2014, and is scheduled start revenue service beginning in 2014. The figure below shows the project alignment.

Central Corridor LRT Alignment



FINANCIAL PLAN SUMMARY: CAPITAL, OPERATING, AND FUNDING PLAN

Central Corridor Capital Funding Plan

The total cost for the Central Corridor LRT Project is \$914.9 million in YOE dollars. This figure includes \$6 million in finance charges. This cost will be funded from federal, state, and local sources. \$453 million in funding will come from Section 5309 New Starts funds provided by the FTA under a Full Funding Grant Agreement. The region will flex \$4.5 million in Congestion Management and Air Quality (CMAQ) funding authorized under Federal Highway Legislation to fund this transit project. State funding of \$91 million will be supplied by the State of Minnesota, which has already committed \$83 million of its entire share to the project. CTIB capital funds of \$274.5 million and Railroad Authority funds of \$91.5 million will provide the remainder of the necessary funds. The Regional Railroad Authorities have committed a total of \$96.2 million for one year,¹⁵ enabling the project to achieve 100% local financial commitment.

Interest Expense

This plan is based on a maximum of \$95,000,000 in FFGA funding scheduled in any one year. This plan requires financing until the FFGA funding can be paid in 2015, the year following completion and startup. The Metropolitan Council or CTIB will provide this financing (shown as "Construction Commercial Paper" in the cash flows) and the responsible party or parties may request adding the final financing expense into the FFGA project cost. This plan also includes \$6 million in contingency funding for finance charges should the Federal funding be delayed beyond the agreed upon Federal funding schedule in the FFGA.

Plan for Funding CCLRT Operating and Maintenance Costs

Operating resources for the project will come from passenger fares with forecasted fare increases according to Metropolitan Council's farebox recovery ratio policy, CTIB revenues, and state assistance.

¹⁵ RCRRRA Resolution #Ro8-29 and HCRRRA Resolution 08-HCRRRA-41

Transportation Division Financial Plan Summary
Capital and Operating Revenue in Millions of Year-of-Expenditure (Inflated) Dollars

CAPITAL SOURCES OF FUNDS <i>(Year of Expenditure Dollars in Millions)</i>	prior - 2010	2011-2020	2021-2030	Prior+ 2008-2030
Regional Capital Proceeds	\$137.08	\$354.03	\$398.50	\$889.60
5307 Federal Formula	\$0.00	\$42.40	\$73.72	\$116.12
5309 Fixed Guideway Modernization	\$0.00	\$63.83	\$172.66	\$236.49
Federal Other	\$0.00	\$0.00	\$0.00	\$0.00
Federal Other CIP	\$187.87	\$548.08	\$779.30	\$1,515.25
Sec 5309 New Starts	\$3.51	\$449.44	\$0.00	\$452.94
CMAQ	\$4.50	\$0.00	\$0.00	\$4.50
CTIB CCLRT	\$274.47	\$0.00	\$0.00	\$274.47
State CCLRT	\$91.49	\$0.00	\$0.00	\$91.49
Local Capital Assistance	\$91.49	\$0.00	\$0.00	\$91.49
Subtotal Grants	\$790.39	\$1,457.77	\$1,424.18	\$3,672.34
Financing Program				
Construction Tax Exempt Commercial Paper	\$4.19	\$180.78	\$0.00	\$184.97
TOTAL CAPITAL SOURCES OF FUNDS	\$794.58	\$1,638.55	\$1,424.18	\$3,857.32
OPERATING SOURCES OF FUNDS <i>(Year of Expenditure Dollars in Millions)</i>	2008-2010	2011-2020	2021-2030	Prior+ 2008-2030
Fare Revenue	\$253.95	\$1,261.26	\$1,893.53	\$3,408.75
Operation Suplus				
Motor Vehicle Sales Tax	\$385.85	\$2,042.41	\$3,036.22	\$5,464.48
CTIB - Funding	\$55.65	\$173.95	\$243.73	\$473.33
Other Transit Related	\$30.47	\$124.69	\$170.03	\$325.19
Other local Operating Assistance	\$8.32	\$8.26	\$11.03	\$27.62
Federal Operating Assistance	\$100.62	\$385.73	\$502.45	\$988.79
State	\$261.78	\$965.44	\$1,117.61	\$2,344.83
Investment Income	\$4.25	\$18.50	\$24.18	\$46.92
TOTAL OPERATING SOURCES OF FUNDS	\$1,100.88	\$4,980.24	\$6,998.78	\$13,079.90

Transportation Division Financial Plan Summary
Capital and Operating Expenditure in Millions of Year-of-Expenditure (Inflated) Dollars

CAPITAL USES OF FUNDS <i>(Year of Expenditure Dollars in Millions)</i>	2008-2010	2011-2020	2021-2030	Prior+ 2008-2030
Central Corridor Light Rail Transitway	\$469.26	\$445.62	\$0.00	\$914.89
Other Capital Programs				
Rail Rehabilitation & Replacement	\$9.81	\$58.32	\$140.14	\$208.27
Bus Preservation and Expansion	\$280.26	\$868.10	\$1,226.30	\$2,374.66
CIP	\$0.00	\$0.00	\$0.00	\$0.00
Total Other Capital Programs	\$290.08	\$926.43	\$1,366.44	\$2,582.94
Financing Program				
Interest	\$0.37	\$53.65	\$0.00	\$54.01
Debt Issuance	\$0.01	\$0.35	\$0.00	\$0.36
Total Financing Program	\$0.37	\$54.00	\$0.00	\$54.38
TOTAL CAPITAL USES OF FUNDS	\$759.72	\$1,426.05	\$1,366.44	\$3,552.20
OPERATING USES OF FUNDS <i>(Year of Expenditure Dollars in Millions)</i>	2008-2010	2011-2020	2021-2030	Prior+ 2008-2030
Metro Transit Bus	\$762.12	\$3,166.89	\$4,506.18	\$8,435.19
Bus Rapid Transit	\$0.00	\$0.00	\$0.00	\$0.00
Metro Transit Light Rail	\$74.68	\$472.52	\$729.64	\$1,276.84
MTS	\$251.28	\$1,028.41	\$1,402.35	\$2,682.04
Northstar	\$24.28	\$155.55	\$212.12	\$391.95
TOTAL OPERATING USES OF FUNDS	\$1,112.37	\$4,823.37	\$6,850.29	\$12,786.02

CAPITAL PLAN

The table below summarizes the costs during prior years and during future phases including construction that are eligible to be included in the FFGA total. Prior years' expenditures for planning have been funded with a combination of non-New Starts Federal funds, New Starts non-FFGA funds, state, and local funds. In addition to the construction and acquisition program, this table shows FFGA funding for financing costs (bond issuance and interest expenditures incurred) during the construction period. FFGA New Starts funding is requested to be 49.5% of the total FFGA project cost.

CCLRT Capital Plan Summary

Local Funding	\$457,442,986	50.0%
Counties Transit Improvement Board	\$274,465,792	30.0%
State of Minnesota Bonding	\$91,488,597	10.0%
Regional Rail Authorities	\$91,488,597	10.0%
Ramsey County Regional Rail Authority	\$64,042,018	7.0%
Hennepin County Regional Rail Authority	\$27,446,579	3.0%
FTA Funding	\$457,442,986	50.0%
5309 New Starts	\$452,942,986	49.5%
CMAQ	\$4,500,000	0.5%
Total Funding	\$914,885,972	

SOURCES OF FUNDS FOR CAPITAL

Details of Metropolitan Transit's total capital plan are shown at the end of this section.

The financial analysis applied projections of the following sources of project capital funds:

Federal Funding

Section 5309 New Starts: These discretionary grants are applied as a percentage of the cost of each rail construction project. While the statutory maximum federal participation for Section 5309 New Starts funds is 80%, the actual amount applied in recent projects has been considerably less. This is because the demand for these funds significantly exceeds the level of funding currently authorized or anticipated to be authorized in the future and projects with a lower percentage of federal participation are viewed more favorably by FTA for funding.

The financial analysis assumes 49.5% 5309 New Starts funds, with New Starts funding under a Full Funding Grant Agreement beginning in 2010.

Section 5309 Rail Modernization: These grants are derived by formula, a function of vehicle revenue miles and route miles. Urbanized areas with fixed guideway systems that are at least seven years old are eligible to receive fixed guideway modernization funds. The funds must be used to maintain, modernize, or improve

fixed guideway systems. These funds are assumed to be leveraged to a higher degree than New Starts funding. State and local funds for capital rehabilitation and replacement, or CIP, are typically matched with federal funds equal to 80% of eligible expenses. The plan allocates these funds exclusively to the Metro Transit Capital Improvement Program.

State Funding

The State of Minnesota is fully engaged in the project and has already appropriated \$83 million in the form of General Obligation bonds to fund its share of the capital plan.

Local Funding

Regional Property Tax Revenue Transit Asset Program

The Metropolitan Council levies a regional property tax which is dedicated to funding a debt-financed capital program. The outstanding debt in the program is serially refinanced and current debt service requirements are met from the property tax revenues. The net proceeds from the debt program are dedicated to funding the transit infrastructure programs, and the forecast for these net proceeds are the amounts shown in the cash flow projections as "Regional Capital Proceeds".¹⁶

Counties Transit Improvement Board

The principal local funding source for CCLRT and a new source of transit funding stability in the region is the CTIB. It was authorized by the legislature and confirmed by five counties in March and April 2008.¹⁷ After the legislation was enacted, boards of eligible counties in the metropolitan region were required to vote whether or not to levy the tax and join the Joint Powers Board. Anoka, Dakota, Hennepin, Washington and Ramsey County voted to join the Board, thus fulfilling the legislative requirement that at least two counties enact the tax in order to create the Board. Carver County and Scott Counties voted not to join. Scott and Carver counties may choose to join at a later date.

According to the enabling legislation, the purpose of the CTIB is to allocate the transit tax funds to transit purposes in member counties. The CTIB has independent bonding authority, with the transit tax as security, and all counties that join must keep collecting revenues even if they choose to leave the board, until all obligations made while they were members are repaid. The Board is also allowed to secure bonding in excess of its revenues if it does so in cooperation with member counties who choose to use their bonding authority to fund CTIB projects.

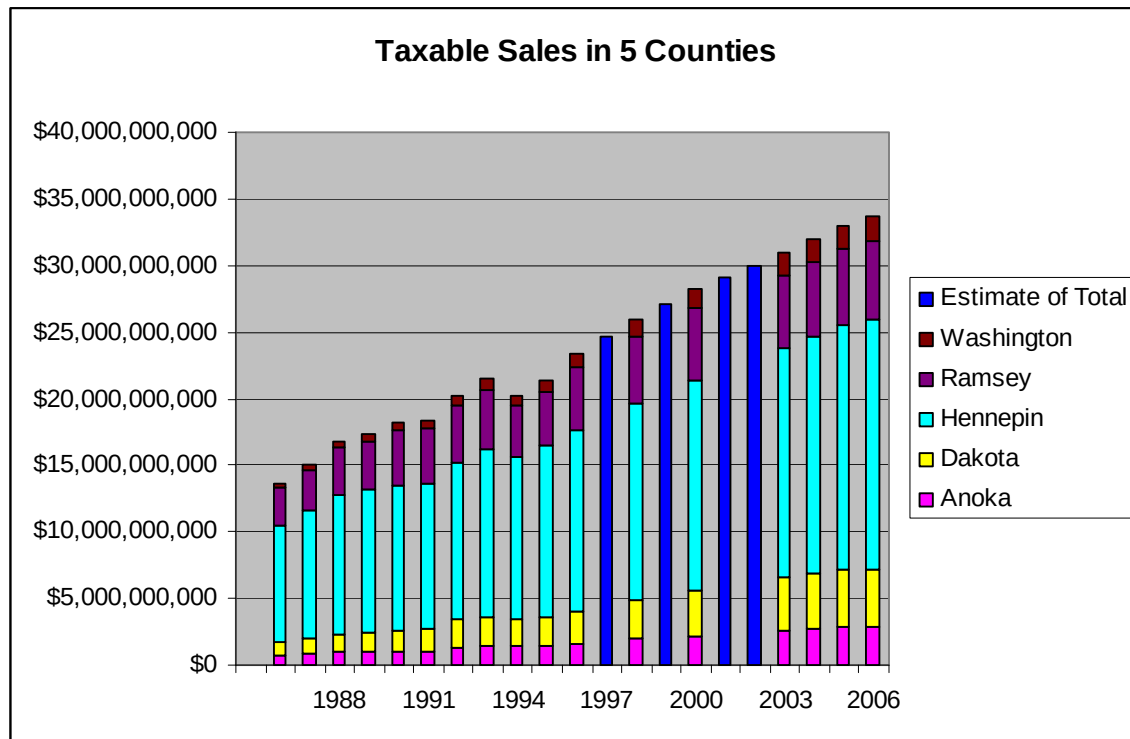
The Board may fund any project it chooses, so long as it is within the taxing district, is consistent with the regional long-range transit plan established by the Metropolitan Council, and does not infringe upon any small county's minimum funding guarantee, which guarantees that any member is guaranteed to receive at least 1% of total Sales Tax proceeds for FY 2009, 2010, and 2011.

The board's membership includes representatives of each member county as well as a representative of the Metropolitan Council, which is the umbrella organization for all Twin Cities-area transit. The Joint Powers Agreement awards the Metropolitan Council five percent of the votes on the CTIB, with the remainder divided among the member counties proportionally according to the mean of population and tax-revenue percentages.

¹⁶ Source: Metropolitan Council Financial Planning

¹⁷ Minnesota Session Laws 2008, Regular Session Chapter 152--H.F. No. 2800

From the counties that join the board, the board receives a 1/4 % sales and use tax. The history of the pre-existing sales and use tax, which is levied in the five counties and statewide on the identical tax base to the CTIB sales and use tax base, provides a sound basis for projecting the sales and use tax revenue¹⁸:



The ¼% rate applied to \$33.6 B in taxable sales in 2006 would yield in excess of \$84,000,000 per annum and escalation to 2008 is expected to bring the total budget close to \$100,000,000 per year. The taxable sales in the five counties have been increasing at a 4.6% compound rate over the 20-year period.

Collection of the tax began July 1, 2008. The first reporting to the Minnesota Department of Revenue was due on August 20, 2008, and the first payment to the counties will be on September 10, 2008.¹⁹

Railroad Authorities

Local Funding will come from the Ramsey County Regional Railroad Authority (RCRRA) and Hennepin County Regional Railroad Authority (HCRRA). The Regional Rail Authorities (RRAs) adopted resolutions committing each partner to a portion of the total local contribution approximately 10% of the net total project cost, an estimated \$91 million. These resolutions of the regional railroad authorities of Ramsey County and Hennepin County are included in the New Starts submission exhibits. Ramsey County will be responsible for 70% of the RRA share and Hennepin County is responsible for 30%.

¹⁸ Minnesota Department of Revenue. Data for 1997, 1999, 2001 and 2002 were not complete and were estimated by Metropolitan Council Financial Planning.

¹⁹ Presentation to Hennepin County Board,
<http://wwwa.co.hennepin.mn.us/images/HCIInternet/EPandT/Transportation/Transit%20Planning/HCRRA/Counties%20Transit%20Improvement%20Board%20Overview.pdf>

Ramsey County Regional Railroad Authority

Ramsey County Regional Railroad Authority (RCRRA): RCRRA obtains its funds from a property tax levied under the authority of MS 398A, plus interest earned on balances. This tax is distinct from the Metropolitan Council's property tax authority. The tax is currently levied at a rate of \$10.8 million in 2006, which is considerably less than the levy limit established in MS 398A which would yield approximately \$20 million per year.

RCRRA is accumulating funds from previous years' property taxes. Those funds have been earning short-term interest on an accrual basis. As of Dec 31, 2007, RCRRA has \$37,124,792 in fund balance²⁰. The RCRRA Board has committed funding for the project which will be obtained either from funds on hand or by means of one or more tax-exempt RCRRA bond issues, capitalized over 15 years to 20 years. At current tax-exempt rates, the current \$19.9 million annual levy would capitalize about \$260 million of debt (20 year level debt at 4.5 percent), which is well in excess of project requirements. Increasing the levy to permissible limits would increase this capacity. The county has an AAA credit rating from Moody's, and Standard and Poor. Debt capacity roughly doubles if the RCRRA raised the levy up to the cap of \$23 million per year.

RCRRA has committed to funding its share of the CCLRT project²¹ and is also considering whether to issue bonds for the CCLRT project. A RCRRA anticipated debt issue for the Central Corridor LRT project should carry an AAA credit rating. All aspects of Ramsey County that have earned the county the highest credit rating are the same for the RCRRA- the policy board, professional management staff, financial policies and procedures, local economy, tax base, debt statistics, etc. In addition, the management and staff of the RCRRA are Ramsey County employees. RCRRA debt would not be subject to any of the County's general tax levy or bonding capacity limits. Only the RCRRA's own levy limit of approximately \$20 million per year would apply.

Hennepin County Regional Railroad Authority (HCRRA)

HCRRA obtains its funds from a property tax levied under the authority of MS 398A, plus interest earned on balances. This tax is distinct from the Metropolitan Council's property tax authority. The tax is currently levied at a rate of \$12.5 million in 2007²² which is considerably less than the levy limit established in MS 398A which would yield approximately \$62 million per year.

The HCRRA has been accumulating funds from previous years' property taxes net of expenditures for Northstar and other operations of the authority. Those funds have been earning short-term interest on an accrual basis. The HCRRA Board has committed to fund the project through funds on hand or one or more tax-exempt HCRRA bond issues, capitalized over 15 years to 20 years.²³ At current tax-exempt rates, the current \$7.5 million annual levy would capitalize about \$98 million of debt (20 year level debt at 4.5 percent). The county has an AAA credit rating from Moody's, Standard and Poor, and Fitch. The debt capacity increases more than 800 percent if the HCRRA raised the annual levy to the \$62 million cap.

The HCRRA anticipated debt issue for the Central Corridor LRT Project should carry an AAA credit rating. All aspects of Hennepin County that have earned the county the highest credit rating are the same for the HCRRA- the policy board, professional management staff, financial policies and procedures, local economy, tax base, debt statistics, etc. In addition, the management and staff of the HCRRA are Hennepin County

²⁰ RCRRA

²¹ Ramsey County Regional Railroad Authority Resolution R-08-29, July 22, 2008.

²² Fact Sheets / RRA 2007budget at <http://www.co.hennepin.mn.us>

²³ "Memorandum of Understanding between the Metropolitan Council, the Ramsey County Regional Railroad Authority, and the Hennepin County Regional Railroad Authority Regarding Future Funding of the Central Corridor Transitway," executed 8-29-06 by Hennepin County Regional Railroad Authority

employees. HCRRA debt would not be subject to any of the County's general tax levy or bonding capacity limits. Only the HCRRA's own levy limit of about \$62 million per year would apply.

USES OF FUNDS FOR CAPITAL

The following table summarizes the Metropolitan Council uses of cash in millions of year-of-expenditure dollars for the Central Corridor LRT Project. The table contains prior years and construction years' costs.

Project Capital Expenditure Summary Year-of-Expenditure (inflated) Dollars

SCC Category	Description	Cost Estimate - YOE \$
10	Guideway & Track Elements	\$108,797,377
20	Stations, Stops, Terminals, Intermodal	\$59,778,108
30	Support Facilities: Yards, Shops, Admin Bldgs	\$40,826,852
40	Sitework & Special Conditions	\$136,821,548
50	Systems	\$128,783,948
	Subtotal Infrastructure - (SCC 10 - 50)	\$475,007,832
60	ROW, Land, Existing Improvements	\$14,770,501
70	Vehicles	\$125,921,174
80	Professional Services	\$162,308,607
90	Unallocated Contingency	\$130,877,857
100	Finance Contingency Charges	\$6,000,000
	Subtotal (SCC 60 - 100)	\$439,878,140
	Total Capital	\$914,885,972

Light Rail Construction and Acquisition: The development costs of the Central Corridor Light Rail Project are estimated to be \$914.9 million in YOE dollars. The details of the construction cost and acquisition estimates, which includes unallocated contingency, are specified in the project description and the definition of the build alternative.

Capital Improvement Program (Other CIP): This includes capital investments to assure that fixed assets remain in a state of good repair, the fleet is replaced in accordance with the fleet management program, technological and other improvements are made to maintain and improve operating efficiency and effectiveness, and customer service and convenience is maintained and improved. These requirements address routine renewal of fixed assets beyond the level of maintenance included in the operating budget. This typically includes maintenance actions whose cycle length is greater than every three to five years. Examples include bus replacements, facility rehabilitation, transit center rehabilitation, computer hardware investment, and small bus maintenance. These requirements include rehabilitation and replacement costs

associated with the construction of the commuter rail and light rail system. The basis for these estimates is the Metropolitan Council adopted preservation program.²⁴

Financing Costs: Two elements of financing cost must be provided for in the capital program: short term construction debt and unexpected construction program debt.

AGENCY-WIDE CAPITAL PLAN

The following table presents Metropolitan Council Transportation Division capital investment for the next 22 years, excluding the CCLRT. The capital renewal investments for MTS services are included in "Bus Preservation" in this table. Over the 23-year period Metropolitan Council would invest over \$2.583 billion in capital investments with an average expenditure of \$562 million in capital investment every five years.

Transportation Division Capital Program in Millions of Year-of-Expenditure (inflated) Dollars

CAPITAL USES OF FUNDS <i>(Year of Expenditure Dollars in Millions)</i>	2008-2010	2011-2020	2021-2030	Prior+ 2008-2030
Rail Rehabilitation & Replacement	\$9.81	\$58.32	\$140.14	\$208.27
Bus Preservation and Expansion	\$280.26	\$868.10	\$1,226.30	\$2,374.66
Total Other Capital Programs	\$290.08	\$926.43	\$1,366.44	\$2,582.94

POTENTIAL RESPONSES TO CAPITAL FUNDING SHORTFALLS

In the event that Metropolitan Council does not receive federal funding appropriations according to the schedule specified in this Financial Plan, either due to congressional appropriations or other contingencies, Metropolitan Council will be able to maintain the Project's schedule through a variety of financing methods.

- **Cash reserves, construction contingencies, and funding commitments:**
Metropolitan Council has prepared conservative cost estimates for the Project that will be achieved through rigorous construction management, project scheduling, and project budget management systems. To manage unavoidable variances from estimates, Metropolitan Council has provided unallocated contingency funds totaling approximately \$130 million dollars in this Financial Plan. Metropolitan Council's cash management processes are designed to avoid costly disruptions in the delivery of projects and services due to brief, routine emergencies in accounts receivable and collections.
- **Bond proceeds financial management practices:**
The funding partners have recent experience though the financial plan and funding commitments that resulted in successful implementation of the Hiawatha LRT and Northstar commuter rail service nearing completion. Ramsey County Regional Railroad Authority and Hennepin County Regional Railroad Authority have property tax authority, which supports bonding. The Minnesota Legislature has enacted bonding authority, which would provide the revenue for the state portion of the non-Federal share of project capital costs. To the extent feasible, the state and local partners have their shares of the project fully committed and are prepared to schedule their contributions to accommodate the project's requirements.

²⁴ Metropolitan Council 2008-2013 Capital Improvement Program and 2008 Capital Program and Budget, "Preservation" with extrapolation for outlying years.

- **Cost and Scope:** As with any major new start project, there are risks due to engineering, scope and schedule unknowns. The project sponsors are aware of these risks, and have in fact managed the risks through varying application of contingency factors by category of project element.
- **Funding Availability:** The risk of less local or state funds being available than anticipated is believed to be negligible. The assumptions underlying RCRRRA taxing authority provides a constant \$10.7 million per year in nominal terms. RCRRRA has substantial additional taxing authority above the current levy — up to as much as \$20 million per year. The County has a triple A credit rating from Moody's and Standard and Poor. The assumptions underlying HCRRA taxing authority provides a constant \$7.5 million per year in nominal terms. HCRRA has substantial additional taxing authority above the current levy — up to as much as \$62 million per year. The County has a triple A credit rating from Moody's, Standard and Poor, and Fitch. The State of Minnesota has a triple A credit rating from Moody's, Standard and Poor, and Fitch.
- The CTIB will also be consulted in project financial management issues and the Met Council and CTIB will resolve any issues that are not already resolved through one of the preceding financial management methods.

These financial management practices will permit Metropolitan Council to be able to maintain the construction schedule in cases of lags in the anticipated delivery of federal assistance or sale of bonds.

OPERATING PLAN

SOURCES OF FUNDS FOR OPERATIONS

The following table presents sources of operating funding for the Central Corridor Light Rail Transit Project and the Metropolitan Council Transportation Division:

OPERATING SOURCES OF FUNDS <i>(Year of Expenditure Dollars in Millions)</i>	2008-2010	2011-2020	2021-2030	Prior+ 2008-2030
<i>Fare Revenue</i>	\$253.95	\$1,261.26	\$1,893.53	\$3,408.75
<i>Motor Vehicle Sales Tax</i>	\$385.85	\$2,042.41	\$3,036.22	\$5,464.48
<i>CTIB - Funding</i>	\$55.65	\$173.95	\$243.73	\$473.33
<i>Other Transit Related</i>	\$30.47	\$124.69	\$170.03	\$325.19
<i>Other local Operating Assistance</i>	\$8.32	\$8.26	\$11.03	\$27.62
<i>Federal Operating Assistance</i>	\$100.62	\$385.73	\$502.45	\$988.79
<i>State</i>	\$261.78	\$965.44	\$1,117.61	\$2,344.83
<i>Investment Income</i>	\$4.25	\$18.50	\$24.18	\$46.92
TOTAL OPERATING SOURCES OF FUNDS	\$1,100.88	\$4,980.24	\$6,998.78	\$13,079.90

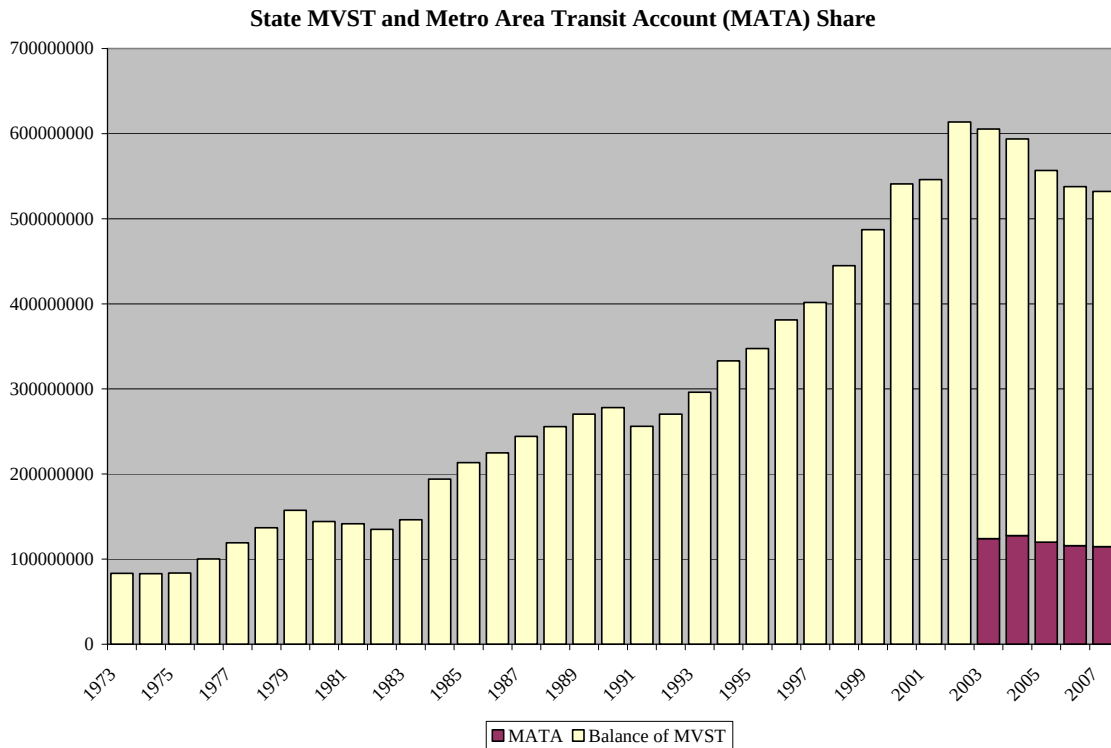
The financial analysis applied the following sources of operating funds for MetroTransit Operations:

- **Fare (Passenger) Revenue:** Fare revenues are based on the Central Corridor Light Rail Transit Project projected ridership for the proposed rail line. Ridership is to grow according to the travel forecasts that react primarily to increasing population and employment. The average operating revenue per passenger including cash fare and convenience fare such as 31-day pass revenue was \$0.89 for an LRT passenger and \$1.006 for a bus passenger (including express bus premiums) in 2006, prior to the current fare increase. A 10 percent fare increase is implemented whenever the Metro Transit bus fare recovery ratio (fares/total operating expenses) falls below 28.5 percent. In October 2008, Metro Transit has implemented a fare increase in accordance with this policy, and the resulting estimated average fares are the basis of the passenger revenue

projections. A further fare increase is projected for 2012. Beginning in 2018, passenger revenues projections are based on a continuous application of the policy rather than assigning specific years for increases.

- **Motor Vehicle Sales Tax (MVST):** Motor Vehicle Sales Tax revenues are the largest source of operating funds for Metropolitan Council Transportation Division, accounting for approximately 40% of operating expenses in 2007. Figure 1 shows historic total state MVST receipts from 1973 to 2007. The long-term average annual growth rate for MVST revenues over this period is 4.9% percent per year.

**Historical State MVST Revenues
Fiscal Years 1973-2007**



Beginning in 2002, the Metropolitan Council Transportation Division began receiving a share of the state MVST revenues. In 2008, 24% of the total MVST revenues are dedicated to transit needs in the Twin Cities metropolitan area. Based on the successful passage of the constitutional question to dedicate 100% of the MVST revenues to transportation, the Metropolitan Council's share of MVST revenues for transit will grow from 21.5% in 2006 to 36% in 2012, or from approximately \$116 m in 2006 to \$175 m in 2012. The MVST revenue forecast in the plan shows a recovery by 2013 from the downturn that began in 2003 and then a 4% annual increase through the remaining projection period.

- **CTIB Operating Funding:** The CTIB, as described above under the Capital Plan Sources, has agreed to provide 50% of the operating assistance required for Hiawatha, Northstar, and CCLRT

rail services; in addition, the legislation specifies an amount for Metropolitan Council operating assistance for 2009 which is included in the 2009 cash flow forecast.²⁵

- **Other Transit Related:** Historical revenues generated by or for the transit operation consisting of advertising revenue, contract revenue, and miscellaneous sources; these are projected in proportion to the transit operation
- **Other Local Operating Assistance:** Although the primary operating assistance responsibility has been shifted from the County Regional Railroad authorities to the Counties Transit Improvement Board, the legislation provides for the limited ongoing operating assistance set out in the cash flow projections.
- **Federal Operating Revenue (FTA Section 5307 urban formula grants):** These formula grants are based on various demographic statistics, level of service, ridership, and operating cost variables. Factors in the formulae that allocate grants to urbanized areas were estimated based on annual growth in total SAFETEA-LU Section 5307 funds.

SAFETEA-LU limits the application of these Section 5307 grants to capital purposes, but an exception is made for maintenance expenses that protect the system's assets in the operating budget. One percent of these grants must be applied for "enhancements" as defined in the statute. The Financial Plan assumes that these grants are applied to preventative maintenance or to the Agency Wide capital plan.

- **State General Funding:** State funding for transit operations is derived from general fund appropriations, and is appropriated by the State Legislature on a biennial basis. State funding for transit operations has grown over recent biennia. Recent State funding by biennium is as follows:
 - o 1996-97 Biennium \$89.0 M
 - o 1998-99 Biennium \$98.7 M
 - o 2000-01 Biennium \$113.6M
 - o 2002-03 Biennium \$135.9 M
 - o 2004-05 Biennium \$112.1 M
 - o 2006-07 Biennium \$156.3 M
 - o 2008-09 Biennium \$177.5 M
- **Investment Income:** Based on the funds generated or the net required in the cash flow projections, income is generated at interest income rates projected by Moody's Economy.com based on the return from 3-month treasury bonds; although the conservative growth plan allows for the generation of substantial additional revenue, only interest income on the policy reserve (8.3% of operating expense) is accumulated in this forecast.²⁶

USES OF FUNDS FOR OPERATIONS

Long-term projections of the Central Corridor Light Rail Transit Project operating budget were made utilizing cost allocation models, which related line-item costs to specific cost drivers.

²⁵ CTIB Resolution #17-CTIB-2008 adopted 8-20-08

²⁶ A working capital or policy reserve of 8.3% of operating expense is maintained by Metropolitan Council Transportation Division. If funds are generated in excess of this amount, Council would have the option of investing the surplus in additional service.

CENTRAL CORRIDOR LIGHT RAIL TRANSIT PROJECT OPERATING COSTS

Light Rail operating costs were projected using a cost allocation model, developed by Connetics Transportation Group which associated costs with the principal rail transit cost drivers (train-hours, revenue car-miles, route-miles, and stations). The light rail transit operations and maintenance model was based on actual operating experience of the Hiawatha light rail system, with appropriate adjustments for changes in energy prices and labor rates.

Applying the unit costs to the projected level of service of the light rail system yields the annual operating costs of \$21 million in FY14 dollars. Revenue service is projected to begin in early 2014.

AGENCY-WIDE OPERATING PLAN

The analysis in this section focuses on the ability of the Metropolitan Council to adequately fund operation of its existing bus and light rail system, and to also pay for necessary expansion of that system in the future, in accordance with growing ridership demands. As described previously, the Metropolitan Council's Transportation Division is composed of two units: Metro Transit and Metropolitan Transportation Services. Metro Transit includes regular route bus and light rail operations and Metropolitan Transportation Services includes Metro Mobility, Contracted Regular Routes, Community-based programs, VanGo, and Opt-Out transit programs.

The financial capacity analysis data includes operating cash flow projections for the Metropolitan Council's Transportation Division to year 2030, beginning with forecasts of the existing baseline bus and light rail system. By comparing expected growth in existing revenue sources with expected increases in the costs of operating the baseline system, it can be determined whether and to what extent the system can be funded without deficit, and whether the operation of additional service can also be funded within the current funding envelope — i.e., without the introduction of any new funding sources.

The baseline financial capacity analysis is shown in the table below. The analysis extends through the year 2030. In the table, existing bus and light rail service is projected to increase at a low rate (less than ½ of one percent, compounded annually) which reaches the level of the forecasted service and travel in 2030 used in the travel demand forecast for the project. Expenses projected to increase annually at a rate of 3.15 percent. Operating (passenger) revenue increases are a result of periodic fare increases, the travel forecast, and fare increases of 10 percent assumed whenever the Metro Transit fare recovery ratio (bus fares/total bus operating expenses) falls below 28.5 percent. Based on this assumption, a fare increase was assumed in 2012. Beginning in 2018, the projections do not tie the increases to specific years, but project continuous increase in proportion to operating cost.

In addition to passenger fares and other operating revenues, the two other major sources of operating funds for Metro Transit are state motor vehicle sales tax (MVST) revenues and annual state general fund appropriations. The Council began receiving MVST revenues from the state in 2002 as a replacement for regional property tax revenues. For the state fiscal years 2004 through 2007, the Council received 21.5% of the total state MVST revenues for metropolitan area transit needs. The constitutional question to dedicate 100% of the MVST revenue to transportation passed in November 2006, so the Metropolitan Council's share of statewide MVST revenues for transit will grow from 21.5% in 2006 to 36% in 2012 of from approximately \$116 million in 2006 to \$175 million in 2012; this is the primary source for non-transitway operating assistance in the plan. This forecast is based on the state forecast of total MVST receipts for fiscal years 2009 through 2011, and an annual growth rate of 4% per year in MVST revenues thereafter. This forecast is viewed as conservative for financial planning purposes given that the historical growth of MVST during the period of 1973 to 2007 averaged 4.9 percent as previously shown. The Agency Wide Operating

Plan assumes all MVST receipts are used for operations, but can be used in the Agency Wide Capital Plan at the direction of the Metropolitan Council.

The other major funding source, state general funds for operations, is forecasted by the Metropolitan Council to remain relatively flat with only a 1% annual increase for bus operations. State assistance for the new Transitway operations (Northstar, Hiawatha, and CCLRT) is planned to be shared equally with the CTIB, or 50% of the operating deficit after passenger revenue. This is conservative, as the state has an unbroken history of assisting transit statewide and particularly in the metropolitan region.

Several other sources of funding are incorporated in the capacity analysis, including:

- Use of Section 5307 funding for preventive maintenance and rehabilitation of buses; and
- Other income (such as advertising revenue) and interest income based on the fluctuating balances available

In addition to the sources and assumptions described above, another important aspect of the analysis is an operating reserve fund that the Metropolitan Council Transportation Division maintains. The policy is to keep a reserve of at least 8.3% of operating expenses. At the end of 2007, the reserve was a comfortable \$34.5 million. The reserve fund represents a cushion against unexpected single year events, such as a higher than expected cost increase, slower than expected growth in ridership, unexpected inflationary pressures, or less than expected operating subsidy. The required increases in this reserve as Northstar, CCLRT, and background bus service growth occur are reflected and fully funded in the cash flow projections.

As the operating cash flow projections illustrate, adequate funds are available²⁷ to cover the existing bus and rail, Northstar, and CCLRT operating expenses and fully fund the 8.3% percent system-wide reserve requirement and provide for moderate service expansion and enhancements. With prudent funds management, the Metropolitan Council could selectively finance some additional service enhancements over the forecast period.

The system-wide operating funding analysis, with the Central Corridor LRT in operation is shown in detail in the table below. In the table, the net costs and revenues associated with the Central Corridor service are superimposed on system-wide bus and rail expense and revenue flows. To highlight the ability of the existing revenue sources to fund additional operating expenditure over and above the needs of the existing bus and light rail system and the Central Corridor LRT, the last row in the table shows the annual operating surplus from these sources after covering existing bus and light rail service operations. Most of this increase is from MVST, which is a dedicated source of funding. Additional state operating funds greater than projected could also become available.

As seen in the summary table, the Central Corridor LRT funding plan described above will permit the Metropolitan Council Transportation Division to fully fund its existing bus and light rail system, the Central Corridor LRT, and its 8.3 percent operating reserve beginning in 2013. Relatively little funding is available for major service expansion until 2013. With prudent funds management, however, the Metropolitan Council Transportation Division could selectively finance some service enhancements until then. Moderate expansion could commence in 2012. By 2013, enough funding will become available to cover operating expenses and fully fund the system-wide reserve requirement and allow for an increase in transit service.

²⁷ The annual surplus reverses and becomes a deficit in 2009 and 2010; however, there is more than enough surplus in the reserve, funded by the surpluses in all the other years, to fund these four years of cash need.

The table below shows the data for Metro Transit Bus, Metro Transit Rail, Metropolitan Transportation Services, and the Metropolitan Council Transportation Division 23 year projection. Over the next 23 years, the Metropolitan Council is expected to spend over \$12 billion in operating its existing assets. An average of \$2.9 billion will be spent every five years starting in 2011. The Metropolitan Council is in a good position to operate the Central Corridor Light Rail Transit service given the magnitude of Metropolitan Council's operating portfolio.

**Metropolitan Council Transportation Division Operating Cash Flow
2008 - 2030**

OPERATING SOURCES OF FUNDS						
<i>(Year of Expenditure Dollars in Millions)</i>	2008	2009	2010	2011-2020	2021-2030	2008-2030
<i>Fare Revenue</i>	\$79.56	\$85.35	\$89.04	\$1,261.26	\$1,893.53	\$3,408.75
<i>Motor Vehicle Sales Tax</i>	\$131.64	\$114.48	\$139.72	\$2,042.41	\$3,036.22	\$5,464.48
<i>CTIB - Funding</i>	\$0.00	\$43.00	\$12.64	\$173.95	\$243.73	\$473.33
<i>Other Transit Related</i>	\$9.84	\$10.15	\$10.47	\$124.69	\$170.03	\$325.19
<i>Other local Operating Assistance</i>	\$5.45	\$1.43	\$1.44	\$8.26	\$11.03	\$27.62
<i>Federal Operating Assistance</i>	\$34.95	\$32.40	\$33.27	\$385.73	\$502.45	\$988.79
<i>State</i>	\$91.61	\$82.60	\$87.56	\$965.44	\$1,117.61	\$2,344.83
<i>Investment Income</i>	\$0.74	\$1.05	\$2.45	\$18.50	\$24.18	\$46.92
TOTAL OPERATING SOURCES OF FUNDS	\$353.80	\$370.47	\$376.60	\$4,980.24	\$6,998.78	\$13,079.90
OPERATING USES OF FUNDS						
<i>(Year of Expenditure Dollars in Millions)</i>	2008	2009	2010	2011-2020	2021-2030	2008-2030
<i>Metro Transit Bus</i>	\$244.92	\$253.92	\$263.29	\$3,166.89	\$4,506.18	\$8,435.19
<i>Bus Rapid Transit</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<i>Metro Transit Light Rail</i>	\$24.11	\$24.89	\$25.69	\$472.52	\$729.64	\$1,276.84
<i>MTS</i>	\$81.18	\$83.73	\$86.37	\$1,028.41	\$1,402.35	\$2,682.04
<i>Northstar</i>	\$0.00	\$11.22	\$13.06	\$155.55	\$212.12	\$391.95
TOTAL OPERATING USES OF FUNDS	\$350.20	\$373.76	\$388.41	\$4,823.37	\$6,850.29	\$12,786.02
NET OPERATING CASH FLOW	\$3.60	(\$3.29)	(\$11.80)	\$156.88	\$148.49	\$293.88

POTENTIAL RESPONSES TO OPERATING SHORTFALLS

Short term shortfalls, such as are forecast for selected years in the cash flow projections, are covered by the operating reserves. In the longer term, Metro Transit relies on the MST growth and its fare policy. Presently, nearly 40% of the Metropolitan Council Transportation Division's operating funds are obtained from the statewide Motor Vehicle Sales Taxes (MVST). MVST is the Council's single largest source of transit operating funding. The baseline forecast assumes significant real growth over the long run from this source as a result of the passage of the November 2006 referendum. The MVST revenues are projected to increase at a rate of 4 percent per year in the long run. This forecast is viewed as conservative for financial planning purposes as historical trended MVST receipts for the period of 1973 to 2007 averaged 4.9 percent. The recent history of this source were shown earlier. The fare policy is an even stronger guarantee of sustainability, because it assures that passenger revenue will grow with operating costs. Met Council has adhered to the policy that if the farebox ratio falls below 28.5%, the fares will be increased by 10%. Thus, in the long run, fares will generally comprise approximately 30% of operating expenses.

Several sources of supplementary operating funding could be made available. Metropolitan Council's Transportation Division in the event that Motor Vehicle Sales Tax revenues do not grow as expected. These include:

- **Metropolitan Council Transportation Division Operating Reserve:** As indicated, the Metropolitan Council Transportation Division reserve at the end of 2007 is \$34.5 million and can be used to cover any deficits that might arise, with or without the Central Corridor LRT in place.
- **State General Funds/State Commitments:** The state's commitment to transit in the Metro region, and its specific commitment to developing LRT in the Central Corridor, may be regarded as an

opportunity for financial risk management for operations. State general fund operating subsidies have historically grown more rapidly than inflation in recent years. As previously noted in section 1, the state general fund appropriations for transit have grown at a rate greater than inflation. However, in an attempt to be conservative, the state operating funds in the baseline capacity analysis are anticipated to increase slowly from their 2006-2007 level and not increase proportionately with inflation.

- **Moderate Additional Fare Increases:** Under the baseline projection by the Metropolitan Council, a fare increase was implemented in 2008. The next increase is projected to occur in 2013, 2017, 2022, and 2026, again by 10 percent. Fare increases could be accelerated if needed. Transit fare increases typically result in increased fare revenues but decreased ridership.
- **Apply new operating funding sources:** This could include the implementation of new or expanded non-farebox revenue sources (e.g., expanded advertising or joint development).
- **Reduce service:** Reduce the length or number of daily trips, weekend and seasonal/holiday service, or the length of trains.
- **Apply new, non-operating sources:** Apply additional CTIB operating assistance if available and develop supplemental sources of state or other revenues.

The stability of Metropolitan Council's financial environment will permit managing the long term maintenance and operation of the Central Corridor Light Rail Transit Project service in a well-planned, deliberate, and financially prudent manner.

CASH FLOW ANALYSIS

INTRODUCTION

This section presents the findings of the financial analysis. It begins with the detailed results of the financial analysis presented in tables on the following pages. The same tables are presented at the end of the plan document for reference purposes. The assumptions underlying the analysis are reviewed. The conclusions and limitations of the analysis are presented at the end of this final section.

UNDERLYING ASSUMPTIONS

The financial analysis was structured around assumptions, described in terms of the following major considerations:

- Rail system construction and construction schedule;
- Federal funding and state and local financing;
- Fare increases;
- Inflation and interest rates;
- Bond financing

Construction Schedule

The following construction schedule was assumed:

- Final design and construction: 2008-14;
- Start of operations in early 2014 (FY14).

TRANSPORTATION DIVISION & CCLRT PROJECT CASH FLOWS: 20 Year – FY07 through FY30
(Revenue and Expenditure: Millions of Year-of-Expenditure (inflated) Dollars

Metropolitan Council / Central Corridor LRT																									
Scenario New Starts Only																									
9/3/2008																									
CAPITAL SOURCES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Prior+ 2008-2030
Regional Capital Proceeds	0	\$49.54	\$40.07	\$47.47	\$36.41	\$33.34	\$32.27	\$34.80	\$35.20	\$35.60	\$36.00	\$36.40	\$36.80	\$37.20	\$37.60	\$38.10	\$38.60	\$39.10	\$39.60	\$40.10	\$40.60	\$41.10	\$41.60	\$42.10	\$889.60
5307 Federal Formula	0	\$0.00	\$0.00	\$0.00	\$0.50	\$3.06	\$3.15	\$3.25	\$3.35	\$5.20	\$5.71	\$5.88	\$6.06	\$6.24	\$6.43	\$6.62	\$6.82	\$7.03	\$7.24	\$7.45	\$7.68	\$7.91	\$8.15	\$8.39	\$116.12
5309 Fixed Guideway Modernization	0	\$0.00	\$0.00	\$0.00	\$1.98	\$4.08	\$4.20	\$4.33	\$4.46	\$5.35	\$9.43	\$9.71	\$10.00	\$10.30	\$14.37	\$15.58	\$16.05	\$16.53	\$17.03	\$17.54	\$18.06	\$18.60	\$19.16	\$19.74	\$236.49
Federal Other CIP	\$0.00	\$74.99	\$26.53	\$86.34	\$71.60	\$28.74	\$24.33	\$55.20	\$56.90	\$58.60	\$60.40	\$62.20	\$64.10	\$66.00	\$68.00	\$70.00	\$72.10	\$74.30	\$76.50	\$78.80	\$81.20	\$83.60	\$86.10	\$88.70	\$1,515.25
Sec 5309 New Starts	\$1.44	\$2.07	\$0.00	\$0.00	\$95.00	\$95.00	\$95.00	\$95.00	\$69.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$452.94
CMAQ	\$4.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
CTIB CCLRT	\$0.00	\$0.00	\$72.41	\$202.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$274.47
State CCLRT	\$2.08	\$21.11	\$18.02	\$50.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Local Capital Assistance	\$0.00	\$1.19	\$23.82	\$66.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Subtotal Grants	\$8.02	\$148.90	\$180.84	\$452.63	\$205.49	\$164.22	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,672.34
Financing Program																									
Construction Tax Exempt Commercial Paper	0	\$0.00	\$0.00	\$4.19	\$151.14	\$29.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97
TOTAL CAPITAL SOURCES OF FUNDS	\$8.02	\$148.91	\$180.84	\$456.81	\$356.63	\$193.86	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,857.32
CAPITAL USES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Prior+ 2008-2030
Central Corridor Light Rail Transitway	\$8.02	\$24.38	\$114.25	\$322.62	\$232.74	\$111.04	\$70.13	\$31.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$914.89
Other Capital Programs																									
Rail Rehabilitation & Replacement	0	\$0.00	\$5.75	\$4.06	\$3.57	\$3.97	\$2.34	\$4.05	\$3.48	\$9.99	\$8.24	\$6.39	\$6.27	\$10.02	\$6.70	\$10.19	\$15.60	\$32.98	\$11.95	\$10.15	\$13.53	\$10.92	\$8.79	\$19.32	\$208.27
Bus Preservation and Expansion	0	\$105.39	\$50.41	\$124.46	\$94.16	\$59.14	\$53.51	\$86.50	\$89.00	\$91.60	\$94.40	\$97.10	\$99.90	\$102.80	\$106.90	\$110.00	\$113.20	\$116.50	\$120.00	\$123.60	\$127.30	\$132.40	\$136.20	\$140.20	\$2,374.66
Total Other Capital Programs	0	\$105.39	\$56.16	\$128.53	\$97.73	\$63.10	\$55.85	\$90.55	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$2,582.94
Financing Program																									
Interest	0	\$0.00	\$0.00	\$0.37	\$13.10	\$13.23	\$11.61	\$7.71	\$7.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54.01
Debt Issuance	0	\$0.00	\$0.00	\$0.01	\$0.30	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.36
Total Financing Program	0	\$0.00	\$0.00	\$0.37	\$13.40	\$13.29	\$11.61	\$7.71	\$7.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54.38
TOTAL CAPITAL USES OF FUNDS	\$8.02	\$129.76	\$170.41	\$451.53	\$343.86	\$187.44	\$137.59	\$129.97	\$100.47	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$3,552.20
NET CAPITAL CASH FLOW	0	\$19.14	\$10.44	\$5.29	\$12.77	\$6.42	\$21.37	\$62.61	\$68.87	\$3.16	\$8.90	\$10.70	\$10.79	\$6.92	\$12.80	\$10.11	\$4.77	(\$12.52)	\$8.42	\$10.15	\$6.71	\$7.89	\$10.01	(\$0.59)	\$305.12
OPERATING SOURCES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Fiscal	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Fare Revenue		\$79.56	\$85.35	\$89.04	\$91.29	\$99.84	\$102.36	\$126.33	\$129.59	\$132.87	\$137.26	\$142.67	\$144.96	\$154.10	\$156.56	\$166.41	\$169.04	\$179.67	\$182.49	\$193.94	\$196.96	\$209.30	\$212.54	\$226.63	\$3,408.75
Motor Vehicle Sales Tax		\$131.64	\$114.48	\$139.72	\$162.10	\$177.68	\$184.78	\$192.18	\$199.86	\$207.86	\$216.17	\$224.82	\$233.81	\$243.16	\$252.89	\$263.01	\$273.53	\$284.47	\$295.85	\$307.68	\$319.99	\$332.79	\$346.10	\$359.94	\$5,464.48
CTIB - Funding		\$0.00	\$43.00	\$12.64	\$13.17	\$12.02	\$12.76	\$16.71	\$19.26	\$19.63	\$19.55	\$19.35	\$20.54	\$20.98	\$21.94	\$21.44	\$22.79	\$23.27	\$24.35	\$24.85	\$24.88	\$25.79	\$27.01	\$27.43	\$473.33
Other Transit Related		\$9.84	\$10.15	\$10.47	\$10.80	\$11.14	\$11.49	\$11.86	\$12.23	\$12.61	\$13.01	\$13.42	\$13.84	\$14.28	\$14.73	\$15.19	\$15.67	\$16.17	\$16.68	\$17.20	\$17.74	\$18.30	\$18.88	\$19.47	\$325.19
Other local Operating Assistance		\$5.45	\$1.43	\$1.44	\$0.88	\$0.72	\$0.75	\$0.77	\$0.79	\$0.82	\$0.84	\$0.87	\$0.90	\$0.93	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08	\$1.12	\$1.15	\$1.19	\$1.22	\$1.26	\$27.62
Federal Operating Assistance		\$34.95	\$32.40	\$33.27	\$34.15	\$35.07	\$36.00	\$36.97	\$37.96	\$38.97	\$40.02	\$41.09	\$42.19	\$43.32	\$44.48	\$45.67	\$46.89	\$48.15	\$49.44	\$50.77	\$52.13	\$53.53	\$54.96	\$56.44	\$988.79
State		\$91.61	\$82.60	\$87.56	\$88.84	\$88.44	\$89.94	\$94.66	\$97.99	\$99.13	\$99.85	\$100.44	\$102.45	\$103.70	\$105.49	\$105.81	\$108.00	\$109.33	\$111.27	\$112.63	\$113.54	\$115.32	\$117.44	\$118.76	\$2,344.83
Investment Income		\$0.74	\$1.05	\$2.45	\$1.60	\$1.51	\$1.88	\$1.41	\$1.51	\$2.22	\$2.01	\$2.07	\$2.37	\$1.91	\$1.55	\$2.42	\$2.27	\$2.41	\$2.79	\$2.11	\$2.05	\$2.91	\$2.78	\$2.89	\$46.92
TOTAL OPERATING SOURCES OF FUNDS		\$353.80	\$370.47	\$376.60	\$402.82	\$426.41	\$439.98	\$480.87	\$499.19	\$514.12	\$528.71	\$544.72	\$561.05	\$582.38	\$598.59	\$620.93	\$639.21	\$664.50	\$683.94	\$710.29	\$728.44	\$759.12	\$780.93	\$812.83	\$13,079.90
OPERATING USES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Fiscal	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Metro Transit Bus		\$244.92	\$253.92	\$263.29	\$272.95	\$282.96	\$293.34	\$296.37	\$307.26	\$318.54	\$330.23	\$342.38	\$354.93	\$367.92	\$381.43	\$395.37	\$409.82	\$424.78	\$440.34	\$456.39	\$473.02	\$490.24	\$508.15	\$526.63	\$8,435.19
Metro Transit Light Rail		\$24.11	\$24.89	\$25.69	\$26.51	\$27.36	\$28.24	\$50.66	\$52.28	\$53.94	\$55.66	\$57.44	\$59.27	\$61.15	\$63.10	\$65.11	\$67.19	\$69.33	\$71.54	\$73.82	\$76.17	\$78.60	\$81.10	\$83.68	\$1,276.84
MTS		\$81.18	\$83.73	\$86.37	\$89.09	\$91.90	\$94.79	\$97.78	\$100.86	\$104.03	\$107.31	\$110.69	\$114.18	\$117.78	\$121.49	\$125.31	\$129.26	\$133.33	\$137.53	\$141.86	\$146.33	\$150.94	\$155.70	\$160.60	\$2,682.04
Northstar		\$0.00	\$11.22	\$13.06	\$13.48	\$13.90	\$14.34	\$14.79	\$15.26	\$15.74	\$16.23	\$16.74	\$17.27	\$17.81	\$18.38	\$18.95	\$19.55	\$20.17	\$20.80	\$21.46	\$22.13	\$22.83	\$23.55	\$24.29	\$391.95
TOTAL OPERATING USES OF FUNDS		\$350.20	\$373.76	\$388.41	\$402.03	\$416.12	\$430.71	\$459.60	\$475.65	\$492.26	\$509.43	\$527.25	\$545.64	\$564.66	\$584.39	\$604.75	\$625.82	\$647.61	\$670.21	\$693.53	\$717.66	\$742.61	\$768.50	\$795.21	\$12,786.02
NET OPERATING CASH FLOW		\$3.60	(\$3.29)	(\$11.80)	\$0.79	\$10.29	\$9.27	\$21.27	\$23.54	\$21.86	\$19.27	\$17.47	\$15.41	\$17.72	\$14.20	\$16.18	\$13.39	\$16.89	\$13.73	\$16.76	\$10.78	\$16.51	\$12.43	\$17.62	\$293.88

Federal Funding

The following levels of federal funding are assumed:

- **Section 5309 New Starts:** 49.5% federal participation. The estimated project cost of \$914.9 million excludes items ineligible for the FFGA. Because the state and local partners are willing to fund a majority of the project cost from other sources, the plan is based on a total of \$452.9 million in New Starts funding.
- **Section 5307 Preventative Maintenance:** Grants were projected based on the federal FY07 federal funding formula and are applied to preventative maintenance. A modest increase was assumed after the expiration of the current authorization based on the long term historical trend in federal formula funding. Increases also reflect the startup of Northstar and CCLRT service, and the consequent generation of additional 5307 funding.
- **Section 5309 Rail Modernization:** The financial analysis model projects rail modernization funds based on the projected rehabilitation and replacement investments for the light rail line and are assumed to begin seven years after the completion of construction and the line begins revenue service. These are dedicated to the CIP program and grouped with CIP revenue sources.

Fare Increases

Fare increases that make passenger fare revenues keep pace with inflation will be required to support future operations. Because costs are inflating, the operating deficit would rapidly escalate to unacceptable levels if fares do not at least keep pace with costs. In accordance with Met Council policy, the financial analysis assumes that fares will increase by 10% whenever the farebox ratio falls below 28.5%.

Inflation and Interest Rates

A general assumption of 3.15% annual inflation was applied to operating and CIP costs throughout the model. Based on current local experience, 3% was applied to CCLRT construction costs from 2008 through year of expenditure. A comprehensive set of projections were applied throughout the financial analysis model. The projections were developed by Moody's Economy.com through the application of an integrated, long-range national macroeconomic model which includes factors such as monetary policy, fiscal policy, U.S. Dollar condition, and energy prices. These projections were used for investment income rates and for some of the risk analyses described below.

PROJECTIONS

The cash flow table above and presented for reference in Appendix J summarizes the results of the financial analysis. The table is in the form of a sources and uses of funds analysis that projects the annual capital and operating programs.

RISK ANALYSIS

The following four scenarios were tested in order to determine the ability of the region to withstand negative circumstances during the construction of the Central Corridor LRT Project. The detailed cash flows for each scenario are included as 11x17 sheets at the end of this document. These can be compared to the base financial plan projection set out on the 11X17 sheet above (page 38)

SCENARIO 1: HIGHER THAN EXPECTED OPERATIONS INFLATION

This scenario tests the critical sector of Metro Transit's financial statements, its operating cash flows and reserves. 3.25% per annum is applied to all operating expenses, instead of the 3.15% used in the project cost forecasts. As described above, the external funding for the CCLRT and the regional capital funding for the capital renewal and replacement program provide funding for these programs in case of cost increases; however, the Transportation Division's operating cash flows, particularly for the bus and MTS programs are more critical.

As a result of this higher inflation and higher operating expense, not only do operating expenses increase, but passenger revenues increase in response, according to Metropolitan Council's policy that fares are increased whenever the recovery ratio falls below 28.5%. Furthermore, in the case of the transitway deficits, the state and CTIB operating assistance increase to exactly offset the increased deficit. However, we have assumed the MVST, Federal section 5307 formula funds, and other operating revenue (primarily advertising and contract service) are not affected by the higher inflation. The additional deficits that are the net result reduce, but do not exhaust, the reserves that accrue in the base case.

Over the 24-year forecast period, total operating expense increase by \$156 million. This is offset by the increased fares (\$22 million higher), CTIB assistance (\$8m), state transitway assistance (\$8m), and additional interest income on the higher reserves. At the end of 2030 the surplus generated by Operations is \$114 million lower than in the base case, but revenues still exceed expenses by \$180 million.

SCENARIO 2: DELAYED FEDERAL PAYMENTS

This scenario assumes that federal payments are delayed, but that the FFGA still receives the total federal funding pledged. This scenario allows for the most flexibility in meeting the project cash flow requirements. Metropolitan Council, the state, and the county RRAs must have a willingness to consider negotiations on the timing of contributions within the structure of the FFGA. In addition, with an FFGA in place, any combination of the Metropolitan Council, the Counties Transit Improvement Board, the state, and the county RRAs could issue bonds in anticipation of receiving federal funds. While this would result in financing costs, the ability to issue such bonds provides substantial cushion against this scenario. For the purposes of this risk analysis, it is assumed that the Metropolitan Council, the CTIB, or the RRAs would finance the impacts of this scenario.

The federal funding delay scenario has the following assumptions: the funds received under the FFGA beginning in 2012 are capped at \$75 million per year instead of \$95 million per year. With this cap, two additional years are required for the entire FFGA share to be discharged. The final FFGA payment of \$74.4 million is received in 2016, two years after completion of the construction. Because it is assumed that the project is constructed on schedule and on budget, there is no direct affect on the agreed shares of the local funding partners. However, the maximum amount borrowed for construction period financing increases from \$185 million to \$241 million requiring \$13 million in additional interest expense. This amount is well

within the capacity of either CTIB or Metropolitan Council to fund, although it is anticipated that the project cost for FFGA purposes may be increased to cover grant period interest expense.

SCENARIO 3: PROJECT COST OVERRUN OF 20%

This scenario assumes that an FFGA for the project cost of \$914.9 million is executed in 2009 and that from that year forward the project cost exceeds budget by 20%, resulting in a project cost of \$1,057 million. (Because any overruns prior to execution of the FFGA could be included in the FFGA, only the 2010 – 2014 costs are increased; \$6 million in financing allowance is also exempt from the 20% increase, the increase is applied to contingency.) Under this scenario, the federal funding under the FFGA would not increase, remaining at \$453 million (49.5% of estimated project cost, or 43% of the final cost after overruns). As a result, the state and the RRAs would bear significantly more cost than originally anticipated (\$29 million more for each; the RRA portions would be divided \$20.3 million additional for Ramsey County and \$8.7 million more for Hennepin County.). The non-federal share would increase by \$140 million, which is an increase of more than 30% requiring significant additional revenue sources. Discussions of the resolution would begin with the agreed 20% RRAs, 20% state, and 60% CTIB local funding partner allocation. While the RRAs have the capacity to generate these funds directly or issue additional general obligation bonds, an overrun this high would trigger significant project oversight in an attempt to minimize the additional cost.

SCENARIO 4: HIGHER ENERGY COSTS TO OPERATIONS

This scenario envisions energy costs (fuel and electrical power) for operations at prices 15% higher than the base case. The effect is very similar to the increase in operating expense inflation (scenario 1). The 15% increase was applied to the portion of expense that Metro Transit rail and Metro Transit non-rail operations have spent on energy.²⁸ In this case, total operating expenses through 2030 are \$136 million higher than in the base case. The effect on fare revenues is slight because the fare increases are still triggered in the same year. CTIB and state formula assistance for the transitways increase by approximately \$12m and interest income on the reserve is somewhat less. The net increase in the deficit is \$130 million relative to the base case. If necessary (i.e., if the projected reserve had been exhausted), this amount would be funded through negotiations with the state and other local partners.

FINANCIAL EVALUATION AND CONCLUSIONS

The combination of funding from the State of Minnesota, Counties Transit Improvement Board, Ramsey County Regional Railroad Authority, and Hennepin County Regional Railroad Authority provide a solid basis for developing a financial plan for the Central Corridor Light Rail Transit Project. Even at this early project stage of development, when the Regional Rail Authority commitments for one year are considered, an amount equal to 100% of the state and local share of the project cost has been committed to the project. The project sponsor, Metropolitan Council, is experienced in managing projects of this nature and magnitude, and is fully aware of the risks involved. The risk analysis in this plan demonstrates the sufficiency of local resources and commitment to manage these risks. The operating surplus and capital renewal surplus from the regional funding program are based on conservative cost and revenue assumptions that will withstand the vicissitudes of the project's financial future.

LIMITATIONS OF THIS REPORT

Uncertainties associated with fluctuating economic conditions and other factors may result in the Metropolitan Council's revenues and expenditures varying from the projections in the financial plan, and the variations could be material.

The financial results presented in this report are intended to chart a general course of action regarding project implementation, transit service expansion, and initiation of activities to establish new funding and financing approaches, as well as approaches to the specified deviations in assumptions. The financial analysis results should not be applied or referred to any party in connection with the issuance of securities.

APPENDIX A LIST OF ABBREVIATIONS

BCI	Building Cost Index
CBD	Central Business District
CCI	Construction Cost Index
CCLRT	Central Corridor Light Rail Transit Project
CIP	Capital Improvement Program
CPI	Consumer Price Index
CTIB	Counties Transit Improvement Board
ENR	Engineering News Record
FFGA	Full Funding Grant Agreement
FTA	Federal Transit Administration
FY	Fiscal Year
ITS	Intelligent Transportation Systems
LRT	Light Rail Transit
L RTP	Long Range Transportation Plan
MIS	Major Investment Study
Mn/DOT	Minnesota Department of Transportation
MVST	Motor Vehicle Sales Tax
O&M	Operations and Maintenance
PE	Preliminary Engineering
ROW	Right-of-way
Section 5307	Federal formula grants (formally Section 9)
Section 5309	Federal discretionary grants (formally Section 3)
STP	Surface Transportation Program
TEA-21	Transportation Equity Act for the 21st Century
SAFETEA-LU	Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users
TDM	Travel Demand Management
TH	Trunk Highway
TIP	Transportation Improvement Program
TSM	Transportation System Management
UZA	Urbanized Area
YOE	Year-of-expenditure

APPENDIX B FINANCIAL ANALYSIS METHODOLOGY

FINANCIAL ANALYSIS METHODOLOGY

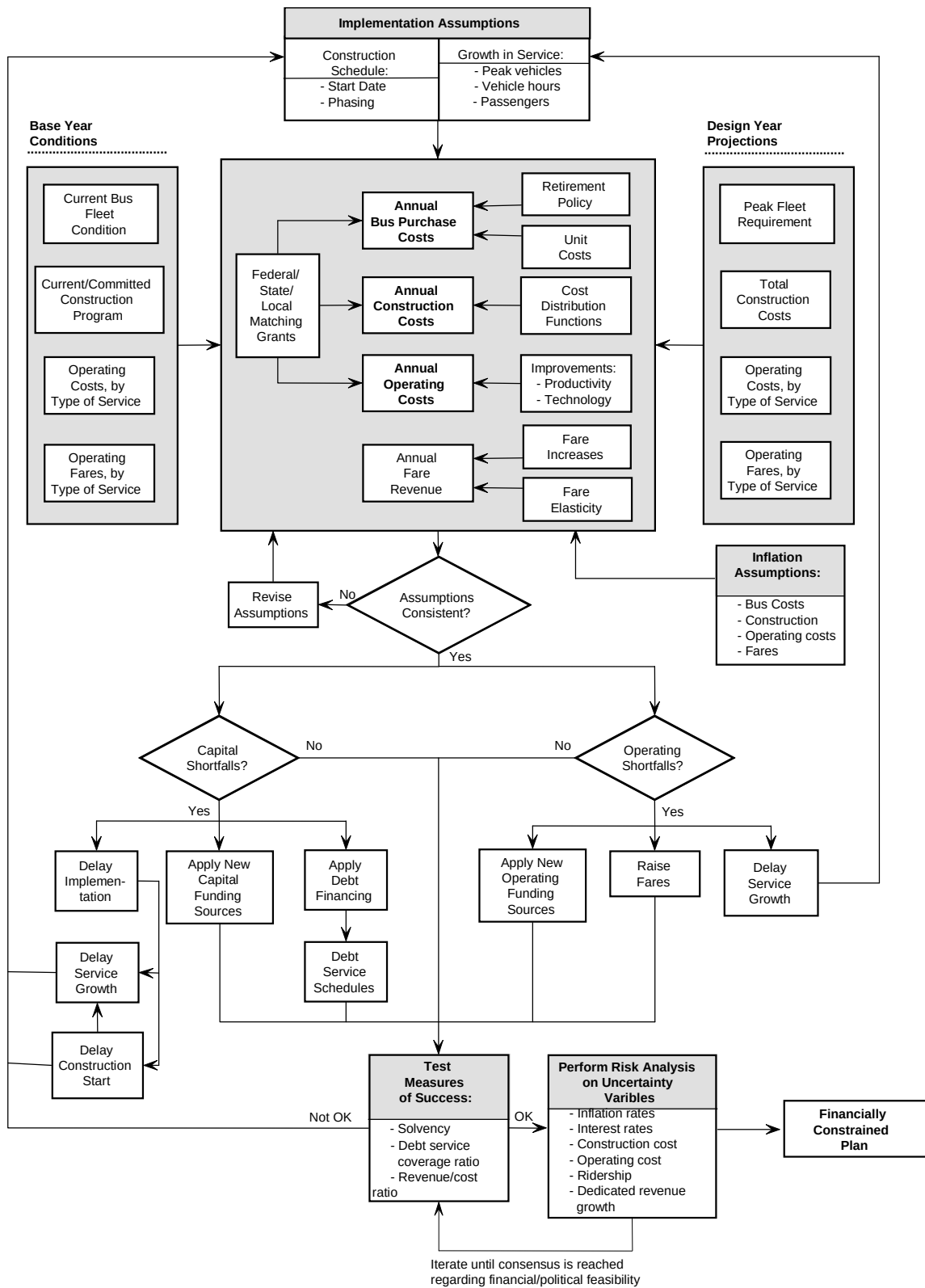
This Appendix begins with a discussion of the overall methodological approach applied in the financial analysis. This approach has been successfully applied in several PE and New Starts Projects seeking federal funding and addresses the requirements for project planning currently contained in FTA guidelines for New Starts projects.

The figure below summarizes the transportation financial planning process suggested by the FTA. The process emphasizes a comprehensive approach to the integration of expenses and revenues, both capital and operating, for major transportation investments and was considered prudent given the magnitude of revenues to be applied.

The following four major data inputs are the basis for describing the characteristics of the transit system in the base year and design year and resulting transit system costs and revenues:

- **Construction program:** Annual construction costs for transit facilities were specified in terms of:
 - Total construction cost of transportation improvements
 - Construction drawdown schedules provided by the engineers, by type of project and major cost element (e.g., right-of-way, construction, equipment, rolling stock, and engineering)
- **Transit fleet:** The financial analysis included a projection of the annual cost for acquiring new buses and rail cars for routine replacement and for service expansion. This required the following information:
 - Proposed future purchase parameters: For all future subfleets (rail and bus, including replacements), average vehicle costs, useful life, and spare requirements. Fleet size requirements are based on the travel demand forecasts and operational analysis.
- **Operating costs:** Operations and Maintenance (O&M) cost estimates were developed for the proposed regional commuter rail system and changes to bus services based on the level of service assumptions applied in the travel demand analysis.
- **Operating revenues:** Growth in transit fare revenues is projected on the basis of demographic growth that in turn results in growth in ridership. Key inputs to the projection of ridership included:
 - Base year annual fare revenue
 - Projected fare increases, by type of service (based in operating cost increases)

The analysis is performed in year-of-expenditure (inflated) dollars so that debt financing computations, if required, can be accomplished. Throughout the financial planning process, reviews are undertaken to assure that underlying assumptions in the financial analysis are internally consistent. The sources and uses of funds analysis is then undertaken and year-end balances are reviewed to assure that neither capital nor operating shortfalls occur.



FINANCIAL PLANNING PROCESS

At this point in the process, the financial analysis has defined a scenario based on a most likely set of base and design year cost and revenue projections, underlying policies on vehicle fleet management, implementation of construction projects, operating efficiencies, fares, implementation schedules of facilities and services, and inflation. It must be recognized that many uncertainties can affect this most likely scenario. These include factors beyond the control of transportation agencies, their management and governing boards, and local governments, e.g., inflation and interest rates, construction and operating costs, ridership, and dedicated revenue growth.

LIFE CYCLE COSTS

Prudent business planning for transit agencies considering major capital investments includes consideration of so-called “life-cycle” costs. This approach to major investment planning, embraced by the Federal Transit Administration, ensures that adequate consideration is made of the full extent of the costs associated with the acquisition and use of transportation facilities and rolling stock. There are three primary components to life-cycle costs:

- **Acquisition costs:** including the cost for the construction of facilities, purchase of rolling stock, and the financing of those assets. Construction costs include the costs for right-of-way, civil works, equipment, and various “soft costs” representing engineering and design, construction management, project management, insurance, legal costs, and contingencies. Financing costs include the costs of interest on debt and lease instruments and issuance costs (including the costs of underwriters, investment bankers, bond counsel, debt service reserve or securities, and bond insurance).
- **Operating costs:** including the costs for vehicle operation (street/rail operations, street/line supervision, and fuel/electricity), vehicle maintenance (service and inspection, maintenance, parts), facility maintenance (cleaning, routine maintenance), and administration.
- **Rehabilitation and replacements:** including the costs to keep the system in a state-of-good-repair. This typically includes long-cycle maintenance activities, overhauls, and other maintenance activities not normally included in operating costs, as described above. Also included is routine replacement of rolling stock, including buses and rail cars, and replacement of aging building components, such as roofs and paving. These requirements are included in a Capital Improvement Program (CIP).

Each of these three components of life cycle costs are included in the financial analysis, including the costs for the Central Corridor Light Rail Transit Project and operating costs for all of Central Corridor Light Rail Transit Project services, including bus, proposed commuter rail, and routine rehabilitation and replacement costs. The sections entitled “Uses of Funds for Capital” and “Uses of Funds for Operations,” above, summarize those components of the life cycle costs.

FINANCIAL ANALYSIS MODEL

The analytical component of this report was accomplished through the development and application of the Central Corridor Light Rail Transit Project financial analysis model. The model is an MS Excel workbook with integrated spreadsheets that has been programmed to calculate projections of expenses and revenues,

both capital and operating, and permits the rapid examination of alternative assumptions regarding policy and uncertainty variables:

- **Policy variables:** These variables are actions that could be taken by Metropolitan Council to directly control costs and revenues. These include service growth, construction schedules, and pricing of transit services.
- **Uncertainty variables:** These include factors beyond the immediate control of Metropolitan Council such as inflation, interest rates, funding delays, and ridership.

The financial analysis model was adapted to the Central Corridor Light Rail Transit Project by AECOM Consult based on similar analyses previously undertaken by AECOM.

The financial analysis model includes the following important features, vital for comprehensive analysis of transit costs and revenues in the context of a new commuter rail system and the associated regional bus service expansion:

- Scheduling of construction costs by segment in terms of year when revenue service begins and drawdown of construction funds;
- Projection of federal funds in the context of the rules and allocation procedures established in the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)
- Projection of fare box revenue given assumptions for fare increase and fare elasticity consideration.
- Projection of state and local funding amounts in accordance to the agreed proportional responsibility of each party.
- Ability to apply inflation and interest rates from an integrated national economic model to all components of the Central Corridor Light Rail Transit Project.

APPENDIX C - SENSITIVITY ANALYSIS: SCENARIO 1-HIGHER THAN EXPECTED INFLATION

CCLRT RAIL PROJECT CASH FLOWS: Higher Than Expected Inflation
FY08 through FY30
(Revenue and Expenditure: Millions of Year-of-Expenditure (inflated) Dollars)

9/4/2008

CAPITAL SOURCES OF FUNDS																								Prior +	
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Regional Capital Proceeds	0	\$49.54	\$40.07	\$47.47	\$36.41	\$33.34	\$32.27	\$34.80	\$35.20	\$35.60	\$36.00	\$36.40	\$36.80	\$37.20	\$37.60	\$38.10	\$38.60	\$39.10	\$39.60	\$40.10	\$40.60	\$41.10	\$41.60	\$42.10	\$889.60
5307 Federal Formula	0	\$0.00	\$0.00	\$0.00	\$0.50	\$3.06	\$3.15	\$3.25	\$3.35	\$5.20	\$5.71	\$5.88	\$6.06	\$6.24	\$6.43	\$6.62	\$6.82	\$7.03	\$7.24	\$7.45	\$7.68	\$7.91	\$8.15	\$8.39	\$116.12
5309 Fixed Guideway Modernization	0	\$0.00	\$0.00	\$0.00	\$1.98	\$4.08	\$4.20	\$4.33	\$4.46	\$5.35	\$9.43	\$9.71	\$10.00	\$10.30	\$14.37	\$15.58	\$16.05	\$16.53	\$17.03	\$17.54	\$18.06	\$18.60	\$19.16	\$19.74	\$236.49
Federal Other CIP	\$0.00	\$74.99	\$26.53	\$86.34	\$71.60	\$28.74	\$24.33	\$55.20	\$56.90	\$58.60	\$60.40	\$62.20	\$64.10	\$66.00	\$68.00	\$70.00	\$72.10	\$74.30	\$76.50	\$78.80	\$81.20	\$83.60	\$86.10	\$88.70	\$1,515.25
Sec 5309 New Starts	\$1.44	\$2.07	\$0.00	\$0.00	\$95.00	\$95.00	\$95.00	\$95.00	\$69.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$452.94
CMAQ	\$4.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
CTIB CCLRT	\$0.00	\$0.00	\$72.41	\$202.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$274.47
State CCLRT	\$2.08	\$21.11	\$18.02	\$50.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Local Capital Assistance	\$0.00	\$1.19	\$23.82	\$66.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Subtotal Grants	\$8.02	\$148.90	\$180.84	\$452.63	\$205.49	\$164.22	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,672.34
Financing Program																									
Construction Tax Exempt Commercial Paper	0	\$0.00	\$0.00	\$4.19	\$151.14	\$29.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97
Subtotal Financing Program	0	\$0.00	\$0.00	\$4.19	\$151.14	\$29.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97
TOTAL CAPITAL SOURCES OF FUNDS	\$8.02	\$148.91	\$180.84	\$456.81	\$356.63	\$193.86	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,857.32
CAPITAL USES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Prior + 2008-2037
Central Corridor Light Rail Transitway	\$8.02	\$24.38	\$114.25	\$322.62	\$232.74	\$111.04	\$70.13	\$31.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$914.89
Other Capital Programs																									
Rail Rehabilitation & Replacement	0	\$0.00	\$5.75	\$4.06	\$3.57	\$3.97	\$2.34	\$4.05	\$3.48	\$9.99	\$8.24	\$6.39	\$6.27	\$10.02	\$6.70	\$10.19	\$15.60	\$32.98	\$11.95	\$10.15	\$13.53	\$10.92	\$8.79	\$19.32	\$208.27
Bus Preservation and Expansion	0	\$105.39	\$50.41	\$124.46	\$94.16	\$59.14	\$53.51	\$86.50	\$89.00	\$91.60	\$94.40	\$97.10	\$99.90	\$102.80	\$106.90	\$110.00	\$113.20	\$116.50	\$120.00	\$123.60	\$127.30	\$132.40	\$136.20	\$140.20	\$2,374.66
Total Other Capital Programs	0	\$105.39	\$56.16	\$128.53	\$97.73	\$63.10	\$55.85	\$90.55	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$2,582.94
Financing Program																									
Interest	0	\$0.00	\$0.00	\$0.37	\$13.10	\$13.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.70
Refinanced Principal from Constr/Rail Car T	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97
Reissuance of Cumulative TECP	0	\$0.00	\$0.00	\$0.00	\$0.01	\$0.30	\$0.36	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.04
Debt Issuance	0	\$0.00	\$0.00	\$0.01	\$0.30	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.36
Total Financing Program	0	\$0.00	\$0.00	\$0.37	\$13.41	\$13.60	\$185.34	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$213.07
TOTAL CAPITAL USES OF FUNDS	\$8.02	\$129.76	\$170.41	\$451.53	\$343.87	\$187.74	\$311.32	\$122.62	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$3,710.90
NET CAPITAL CASH FLOW	0	\$19.14	\$10.44	\$5.29	\$12.76	\$6.12	(\$152.36)	\$69.95	\$76.86	\$3.16	\$8.90	\$10.70	\$10.79	\$6.92	\$12.80	\$10.11	\$4.77	(\$12.52)	\$8.42	\$10.15	\$6.71	\$7.89	\$10.01	(\$0.59)	\$146.42
OPERATING SOURCES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Fis	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Fare Revenue		\$79.56	\$85.38	\$89.10	\$91.37	\$99.97	\$102.52	\$126.56	\$129.85	\$133.15	\$137.57	\$143.12	\$145.44	\$154.87	\$157.36	\$167.55	\$170.23	\$181.23	\$184.10	\$195.99	\$199.07	\$211.90	\$215.21	\$229.35	\$3,430.45
Motor Vehicle Sales Tax	\$131.64	\$114.48	\$139.72	\$162.10	\$177.68	\$184.78	\$192.18	\$199.86	\$207.86	\$216.17	\$224.82	\$233.81	\$243.16	\$252.89	\$263.01	\$273.53	\$284.47	\$295.85	\$307.68	\$319.99	\$332.79	\$346.10	\$359.94	\$5,464.48	\$5,464.48
CTIB - Funding	\$0.00	\$43.00	\$12.64	\$13.18	\$12.05	\$12.81	\$16.94	\$19.52	\$19.91	\$19.86	\$19.69	\$20.92	\$21.40	\$22.39	\$21.92	\$23.32	\$23.84	\$24.97	\$24.40	\$25.98	\$26.55	\$27.83	\$28.31	\$28.31	\$481.46
Other Transit Related	\$9.84	\$10.16	\$10.49	\$10.83	\$11.19	\$11.55	\$11.92	\$12.31	\$12.71	\$13.13	\$13.55	\$13.99	\$14.45	\$14.92	\$15.40	\$15.90	\$16.42	\$16.95	\$17.50	\$18.07	\$18.66	\$19.27	\$19.89	\$19.89	\$329.11
Other local Operating Assistance	\$5.45	\$1.43	\$1.44	\$0.88	\$0.72	\$0.75	\$0.77	\$0.79	\$0.82	\$0.84	\$0.87	\$0.90	\$0.93	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08	\$1.12	\$1.15	\$1.19	\$1.22	\$1.26	\$1.26	\$27.62
Federal Operating Assistance	\$34.95	\$32.40	\$33.27	\$34.15	\$35.07	\$36.00	\$36.97	\$37.96	\$38.97	\$40.02	\$41.09	\$42.19	\$43.32	\$44.48	\$45.67	\$46.89	\$48.15	\$49.44	\$50.77	\$52.13	\$53.53	\$54.96	\$56.44	\$56.44	\$988.79
State	\$91.61	\$82.60	\$87.56	\$88.86	\$88.47	\$90.00	\$94.89	\$98.25	\$99.42	\$100.17	\$100.79	\$102.83	\$104.12	\$105.94	\$106.30	\$108.53	\$109.90	\$111.89	\$112.19	\$114.64	\$116.09	\$118.26	\$119.64	\$119.64	\$2,352.95
Investment Income	\$0.74	\$1.05	\$2.45	\$1.53	\$1.38	\$1.69	\$1.40	\$1.52	\$2.24	\$2.03	\$2.09	\$2.39	\$1.94	\$1.57	\$2.45	\$2.31	\$2.45	\$2.83	\$2.15	\$2.09	\$2.97	\$2.84	\$2.96	\$2.96	\$47.07
TOTAL OPERATING SOURCES OF FUNDS		\$353.80	\$370.51	\$376.69	\$402.90	\$426.52	\$440.11	\$481.62	\$500.05	\$515.09	\$529.78	\$546.02	\$562.46	\$584.18	\$600.51	\$623.29	\$641.72	\$667.50	\$687.11	\$711.79	\$733.12	\$763.67	\$785.69	\$817.78	\$13,121.93
OPERATING USES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Fis	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Metro Transit Bus		\$244.92	\$254.17	\$263.80	\$273.75	\$284.06	\$294.76	\$298.10	\$309.35	\$321.02															

APPENDIX D - SENSITIVITY ANALYSIS: SCENARIO 2-DELAYED FEDERAL PAYMENTS

CCLRT RAIL PROJECT CASH FLOWS

Delayed Federal Payments

FY08 through FY30

Revenue and Expenditure: Millions of Year-of-Expenditure (inflated) Dollars,

CAPITAL SOURCES OF FUNDS		Prior																								
(Year of Expenditure Dollars in Millions)	Fiscal Year	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Regional Capital Proceeds		0	\$49.54	\$40.07	\$47.47	\$36.41	\$33.34	\$32.27	\$34.80	\$35.20	\$35.60	\$36.00	\$36.40	\$36.80	\$37.20	\$37.60	\$38.10	\$38.60	\$39.10	\$39.60	\$40.10	\$40.60	\$41.10	\$41.60	\$42.10	\$889.60
5307 Federal Formula		0	\$0.00	\$0.00	\$0.00	\$0.50	\$3.06	\$3.15	\$3.25	\$3.35	\$5.20	\$5.71	\$5.88	\$6.06	\$6.24	\$6.43	\$6.62	\$6.82	\$7.03	\$7.24	\$7.45	\$7.68	\$7.91	\$8.15	\$8.39	\$116.12
5309 Fixed Guideway Modernization		0	\$0.00	\$0.00	\$0.00	\$1.98	\$4.08	\$4.20	\$4.33	\$4.46	\$5.35	\$9.43	\$9.71	\$10.00	\$10.30	\$14.37	\$15.58	\$16.05	\$16.53	\$17.03	\$17.54	\$18.06	\$18.60	\$19.16	\$19.74	\$236.49
Federal Other CIP		\$0.00	\$74.99	\$26.53	\$86.34	\$71.60	\$28.74	\$24.33	\$55.20	\$56.90	\$58.60	\$60.40	\$62.20	\$64.10	\$66.00	\$68.00	\$70.00	\$72.10	\$74.30	\$76.50	\$78.80	\$81.20	\$83.60	\$86.10	\$88.70	\$1,515.25
Sec 5309 New Starts		\$1.44	\$2.07	\$0.00	\$0.00	\$75.00	\$75.00	\$75.00	\$75.00	\$75.00	\$74.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$452.94
CMAQ		\$4.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
CTIB CCLRT		\$0.00	\$0.00	\$72.41	\$202.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$274.47
State CCLRT		\$2.08	\$21.11	\$18.02	\$50.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Local Capital Assistance		\$0.00	\$1.19	\$23.82	\$66.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Subtotal Grants		\$8.02	\$148.90	\$180.84	\$452.63	\$185.49	\$144.22	\$138.96	\$172.57	\$174.90	\$179.18	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,672.34
Financing Program																										
Construction Tax Exempt Commercial Paper		0	\$0.00	\$0.00	\$4.19	\$173.03	\$52.96	\$10.73	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240.91
TOTAL CAPITAL SOURCES OF FUNDS		\$8.02	\$148.91	\$180.84	\$456.81	\$358.52	\$197.19	\$149.69	\$172.57	\$174.90	\$179.18	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,913.26
CAPITAL USES OF FUNDS		Prior																								
(Year of Expenditure Dollars in Millions)	Fiscal Year	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Central Corridor Light Rail Transitway		\$8.02	\$24.38	\$114.25	\$322.62	\$232.74	\$111.04	\$70.13	\$31.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$914.89
Other Capital Programs																										
Rail Rehabilitation & Replacement		0	\$0.00	\$5.75	\$4.06	\$3.57	\$3.97	\$2.34	\$4.05	\$3.48	\$9.99	\$8.24	\$6.39	\$6.27	\$10.02	\$6.70	\$10.19	\$15.60	\$32.98	\$11.95	\$10.15	\$13.53	\$10.92	\$8.79	\$19.32	\$208.27
Bus Preservation and Expansion		0	\$105.39	\$50.41	\$124.46	\$94.16	\$59.14	\$53.51	\$86.50	\$89.00	\$91.60	\$94.40	\$97.10	\$99.90	\$102.80	\$106.90	\$110.00	\$113.20	\$116.50	\$120.00	\$123.60	\$127.30	\$132.40	\$136.20	\$140.20	\$2,374.66
Total Other Capital Programs		0	\$105.39	\$56.16	\$128.53	\$97.73	\$63.10	\$55.85	\$90.55	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$2,582.94
Financing Program																										
Interest		0	\$0.00	\$0.00	\$0.37	\$14.95	\$16.47	\$15.12	\$10.05	\$10.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$67.37
Debt Issuance		0	\$0.00	\$0.00	\$0.01	\$0.34	\$0.10	\$0.02	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.48
Total Financing Program		0	\$0.00	\$0.00	\$0.37	\$15.29	\$16.57	\$15.15	\$10.05	\$10.41	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$68.08
TOTAL CAPITAL USES OF FUNDS		\$8.02	\$129.76	\$170.41	\$451.53	\$345.75	\$190.72	\$141.13	\$132.30	\$102.89	\$101.59	\$102.65	\$103.50	\$106.18	\$112.83	\$113.62	\$120.21	\$128.82	\$149.50	\$131.96	\$133.77	\$140.85	\$143.35	\$145.02	\$159.55	\$3,565.90
NET CAPITAL CASH FLOW		0	\$19.14	\$10.44	\$5.29	\$12.77	\$6.46	\$8.56	\$40.27	\$72.01	\$77.60	\$8.89	\$10.70	\$10.78	\$6.91	\$12.79	\$10.10	\$4.75	(\$12.54)	\$8.40	\$10.13	\$6.69	\$7.87	\$9.99	(\$0.62)	\$347.35
OPERATING SOURCES OF FUNDS		Prior																								
(Year of Expenditure Dollars in Millions)	Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037	
Fare Revenue		\$79.56	\$85.35	\$89.04	\$91.29	\$99.84	\$102.36	\$126.33	\$129.59	\$132.87	\$137.26	\$142.67	\$144.96	\$154.10	\$156.56	\$166.41	\$169.04	\$179.67	\$182.49	\$193.94	\$196.96	\$209.30	\$212.54	\$226.63	\$3,408.75	
Motor Vehicle Sales Tax		\$131.64	\$114.48	\$139.72	\$162.10	\$177.68	\$184.78	\$192.18	\$199.86	\$207.86	\$216.17	\$224.82	\$233.81	\$243.16	\$252.89	\$263.01	\$273.53	\$284.47	\$295.85	\$307.68	\$319.99	\$332.79	\$346.10	\$359.94	\$5,464.48	
CTIB - Funding		\$0.00	\$43.00	\$12.64	\$13.17	\$12.02	\$12.76	\$16.71	\$19.26	\$19.63	\$19.55	\$19.35	\$20.54	\$20.98	\$21.94	\$21.44	\$22.79	\$23.27	\$24.35	\$24.85	\$24.88	\$25.79	\$27.01	\$27.43	\$473.33	
Other Transit Related		\$9.84	\$10.15	\$10.47	\$10.80	\$11.14	\$11.49	\$11.86	\$12.23	\$12.61	\$13.01	\$13.42	\$13.84	\$14.28	\$14.73	\$15.19	\$15.67	\$16.17	\$16.68	\$17.20	\$17.74	\$18.30	\$18.88	\$19.47	\$325.19	
Other local Operating Assistance		\$5.45	\$1.43	\$1.44	\$0.88	\$0.72	\$0.75	\$0.77	\$0.79	\$0.82	\$0.84	\$0.87	\$0.90	\$0.93	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08	\$1.12	\$1.15	\$1.19	\$1.22	\$1.26	\$27.62	
Federal Operating Assistance		\$34.95	\$32.40	\$33.27	\$34.15	\$35.07	\$36.00	\$36.97	\$37.96	\$38.97	\$40.02	\$41.09	\$42.19	\$43.32	\$44.48	\$45.67	\$46.89	\$48.15	\$49.44	\$50.77	\$52.13	\$53.53	\$54.96	\$56.44	\$988.79	
State		\$91.61	\$82.60	\$87.56	\$88.84	\$88.44	\$89.94	\$94.66	\$97.99	\$99.13	\$99.85	\$100.44	\$102.45	\$103.70	\$105.49	\$105.81	\$108.00	\$109.33	\$111.27	\$112.63	\$113.54	\$115.32	\$117.44	\$118.76	\$2,344.83	
Investment Income		\$0.74	\$1.05	\$2.45	\$1.60	\$1.51	\$1.88	\$1.41	\$1.51	\$2.22	\$2.01	\$2.07	\$2.37	\$1.91	\$1.55	\$2.42	\$2.27	\$2.41	\$2.79	\$2.11	\$2.05	\$2.91	\$2.78	\$2.89	\$46.92	
TOTAL OPERATING SOURCES OF FUNDS		\$353.80	\$370.47	\$376.60	\$402.82	\$426.41	\$439.98	\$480.87	\$499.19	\$514.12	\$528.71	\$544.72	\$561.05	\$582.38	\$598.59	\$620.93	\$639.21	\$664.50	\$683.94	\$710.29	\$728.44	\$759.12	\$780.93	\$812.83	\$13,079.90	
OPERATING USES OF FUNDS		Prior																								
(Year of Expenditure Dollars in Millions)	Fiscal Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037	
Metro Transit Bus		\$244.92	\$253.92	\$263.29	\$272.95	\$282.96	\$293.34	\$296.37	\$307.26	\$318.54	\$330.23	\$342.38	\$354.93	\$367.92	\$381.43	\$395.37	\$409.82	\$424.78	\$440.34	\$456.39	\$473.02	\$490.24	\$508.15	\$526.63	\$8,435.19	
Metro Transit Light Rail		\$24.11	\$24.89	\$25.69	\$26.51	\$27.36	\$28.24	\$50.66	\$52.28	\$53.94	\$55.66	\$57.44	\$59.27	\$61.15	\$63.10	\$65.11	\$67.19	\$69.33	\$71.54	\$73.82	\$76.17	\$78.60	\$81.10	\$83.68	\$1,276.84	
MTS		\$81.18	\$83.73	\$86.37	\$89.09	\$91.90	\$94.79	\$97.78	\$100.86	\$104.03	\$107.31	\$110.69	\$114.18	\$117.78	\$121.49	\$125.31	\$129.26	\$133.33	\$137.53	\$141.86	\$146.33	\$150.94	\$155.70	\$160.60	\$2,682.04	
Northstar		\$0.00	\$11.22	\$13.06	\$13.48	\$13.90	\$14.34	\$14.79	\$15.26	\$15.74	\$16.23	\$16.74	\$17.27	\$17.81	\$18.38	\$18.95	\$19.55	\$20.17	\$20.80	\$21.46	\$22.13	\$22.83	\$23.55	\$24.29	\$391.95	
TOTAL OPERATING USES OF FUNDS		\$350.20	\$373.76	\$388.41	\$402.03	\$416.12	\$430.71	\$459.60	\$475.65	\$492.26	\$509.43	\$527.25	\$545.64	\$564.66	\$584.39	\$604.75	\$625.82	\$647.61	\$670.21	\$693.53	\$717.66	\$742.61	\$768.50	\$795.21	\$12,786.02	
NET OPERATING CASH FLOW		\$3.60	(\$3.29)	(\$11.80)	\$0.79	\$10.29	\$9.27	\$21.27	\$23.54	\$21.86	\$19.27	\$17.47	\$15.41</													

APPENDIX E -SENSITIVITY ANALYSIS: SCENARIO 3-PROJECT COST OVERRUN OF 20%

CCLRT RAIL PROJECT CASH FLOWS
20% Overrun
FY08 through FY30
(Revenue and Expenditure: Millions of Year-of-Expenditure (inflated) Dollars)

9/3/2008

CAPITAL SOURCES OF FUNDS																									Prior+
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Regional Capital Proceeds	0	\$49.54	\$40.07	\$47.47	\$36.41	\$33.34	\$32.27	\$34.80	\$35.20	\$35.60	\$36.00	\$36.40	\$36.80	\$37.20	\$37.60	\$38.10	\$38.60	\$39.10	\$39.60	\$40.10	\$40.60	\$41.10	\$41.60	\$42.10	\$889.60
5307 Federal Formula	0	\$0.00	\$0.00	\$0.00	\$0.50	\$3.06	\$3.15	\$3.25	\$3.35	\$5.20	\$5.71	\$5.88	\$6.06	\$6.24	\$6.43	\$6.62	\$6.82	\$7.03	\$7.24	\$7.45	\$7.68	\$7.91	\$8.15	\$8.39	\$116.12
5309 Fixed Guideway Modernization	0	\$0.00	\$0.00	\$0.00	\$1.98	\$4.08	\$4.20	\$4.33	\$4.46	\$5.35	\$9.43	\$9.71	\$10.00	\$10.30	\$14.37	\$15.58	\$16.05	\$16.53	\$17.03	\$17.54	\$18.06	\$18.60	\$19.16	\$19.74	\$236.49
Federal Other	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Other CIP	\$0.00	\$74.99	\$26.53	\$86.34	\$71.60	\$28.74	\$24.33	\$55.20	\$56.90	\$58.60	\$60.40	\$62.20	\$64.10	\$66.00	\$68.00	\$70.00	\$72.10	\$74.30	\$76.50	\$78.80	\$81.20	\$83.60	\$86.10	\$88.70	\$1,515.25
Sec 5309 New Starts	\$1.44	\$2.07	\$0.00	\$0.00	\$95.00	\$95.00	\$95.00	\$95.00	\$69.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$452.94
CMAQ	\$4.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
CTIB CCLRT	\$0.00	\$0.00	\$71.45	\$235.69	\$52.61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$359.75
State CCLRT	\$2.08	\$21.11	\$19.21	\$63.37	\$14.14	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$119.92
Local Capital Assistance	\$0.00	\$1.19	\$23.58	\$77.78	\$17.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$119.92
Subtotal Grants	\$8.02	\$148.90	\$180.84	\$510.66	\$289.60	\$164.22	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,814.49
Financing Program																									
Construction Tax Exempt Commercial Paper	0	\$3.43	\$13.27	\$0.00	\$104.14	\$46.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$167.83
TOTAL CAPITAL SOURCES OF FUNDS	\$8.02	\$152.33	\$194.12	\$510.66	\$393.78	\$211.21	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,982.36
CAPITAL USES OF FUNDS																									Prior+
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Central Corridor Light Rail Transitway	\$8.02	\$27.69	\$126.81	\$374.76	\$273.46	\$129.66	\$80.66	\$35.98	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,057.03
Other Capital Programs																									
Rail Rehabilitation & Replacement	0	\$0.00	\$5.75	\$4.06	\$3.57	\$3.97	\$2.34	\$4.05	\$3.48	\$9.99	\$8.24	\$6.39	\$6.27	\$10.02	\$6.70	\$10.19	\$15.60	\$32.98	\$11.95	\$10.15	\$13.53	\$10.92	\$8.79	\$19.32	\$208.27
Bus Preservation and Expansion	0	\$105.39	\$50.41	\$124.46	\$94.16	\$59.14	\$53.51	\$86.50	\$89.00	\$91.60	\$94.40	\$97.10	\$99.90	\$102.80	\$106.90	\$110.00	\$113.20	\$116.50	\$120.00	\$123.60	\$127.30	\$132.40	\$136.20	\$140.20	\$2,374.66
Total Other Capital Programs	0	\$105.39	\$56.16	\$128.53	\$97.73	\$63.10	\$55.85	\$90.55	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$2,582.94
Financing Program																									
Interest	0	\$0.11	\$0.67	\$1.46	\$10.19	\$12.01	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24.44
Debt Issuance	0	\$0.01	\$0.03	\$0.00	\$0.20	\$0.09	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.33
Total Financing Program	0	\$0.12	\$0.71	\$1.49	\$10.43	\$12.34	\$168.16	\$0.33	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$193.57
TOTAL CAPITAL USES OF FUNDS	\$8.02	\$133.19	\$183.68	\$504.78	\$381.61	\$205.10	\$304.67	\$126.86	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$3,833.54
NET CAPITAL CASH FLOW	0	\$19.14	\$10.44	\$5.88	\$12.16	\$6.12	(\$145.71)	\$65.72	\$76.86	\$3.16	\$8.90	\$10.70	\$10.79	\$6.92	\$12.80	\$10.11	\$4.77	(\$12.52)	\$8.42	\$10.15	\$6.71	\$7.89	\$10.01	(\$0.59)	\$148.82
OPERATING SOURCES OF FUNDS																									Prior+
(Year of Expenditure Dollars in Millions)	Fiscal	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Fare Revenue		\$79.56	\$85.35	\$89.04	\$91.29	\$99.84	\$102.36	\$126.33	\$129.59	\$132.87	\$137.26	\$142.67	\$144.96	\$154.10	\$156.56	\$166.41	\$169.04	\$179.67	\$182.49	\$193.94	\$196.96	\$209.30	\$212.54	\$226.63	\$3,408.75
Operation Suplus																									
Motor Vehicle Sales Tax		\$131.64	\$114.48	\$139.72	\$162.10	\$177.68	\$184.78	\$192.18	\$199.86	\$207.86	\$216.17	\$224.82	\$233.81	\$243.16	\$252.89	\$263.01	\$273.53	\$284.47	\$295.85	\$307.68	\$319.99	\$332.79	\$346.10	\$359.94	\$5,464.48
CTIB - Funding		\$0.00	\$43.00	\$12.64	\$13.17	\$12.02	\$12.76	\$16.71	\$19.26	\$19.63	\$19.55	\$19.35	\$20.54	\$20.98	\$21.94	\$21.44	\$22.79	\$23.27	\$24.35	\$24.85	\$24.88	\$25.79	\$27.01	\$27.43	\$473.33
Other Transit Related		\$9.84	\$10.15	\$10.47	\$10.80	\$11.14	\$11.49	\$11.86	\$12.23	\$12.61	\$13.01	\$13.42	\$13.84	\$14.28	\$14.73	\$15.19	\$15.67	\$16.17	\$16.68	\$17.20	\$17.74	\$18.30	\$18.88	\$19.47	\$325.19
Other local Operating Assistance		\$5.45	\$1.43	\$1.44	\$0.88	\$0.72	\$0.75	\$0.77	\$0.79	\$0.82	\$0.84	\$0.87	\$0.90	\$0.93	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08	\$1.12	\$1.15	\$1.19	\$1.22	\$1.26	\$27.62
Federal Operating Assistance		\$34.95	\$32.40	\$33.27	\$34.15	\$35.07	\$36.00	\$36.97	\$37.96	\$38.97	\$40.02	\$41.09	\$42.19	\$43.32	\$44.48	\$45.67	\$46.89	\$48.15	\$49.44	\$50.77	\$52.13	\$53.53	\$54.96	\$56.44	\$988.79
State		\$91.61	\$82.60	\$87.56	\$88.84	\$88.44	\$89.94	\$94.66	\$97.99	\$99.13	\$99.85	\$100.44	\$102.45	\$103.70	\$105.49	\$105.81	\$108.00	\$109.33	\$111.27	\$112.63	\$113.54	\$115.32	\$117.44	\$118.76	\$2,344.83
Investment Income		\$0.74	\$1.05	\$2.45	\$1.60	\$1.51	\$1.88	\$1.41	\$1.51	\$2.22	\$2.01	\$2.07	\$2.37	\$1.91	\$1.55	\$2.42	\$2.27	\$2.41	\$2.79	\$2.11	\$2.05	\$2.91	\$2.78	\$2.89	\$46.92
TOTAL OPERATING SOURCES OF FUNDS		\$353.80	\$370.47	\$376.60	\$402.82	\$426.41	\$439.98	\$480.87	\$499.19	\$514.12	\$528.71	\$544.72	\$561.05	\$582.38	\$598.59	\$620.93	\$639.21	\$664.50	\$683.94	\$710.29	\$728.44	\$759.12	\$780.93	\$812.83	\$13,079.90
OPERATING USES OF FUNDS																									Prior+
(Year of Expenditure Dollars in Millions)	Fiscal	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2030
Metro Transit Bus		\$244.92	\$253.92	\$263.29	\$272.95	\$282.96	\$293.34	\$296.37	\$307.26	\$318.54	\$330.23	\$342.38	\$354.93	\$367.92	\$381.43	\$395.37	\$409.82	\$424.78	\$440.34	\$456.39	\$473.02	\$490.24	\$508.15	\$526.63	\$8,435.19
Metro Transit Light Rail		\$24.11	\$24.89	\$25.69	\$26.51	\$27.36	\$28.24	\$29.66	\$30.72	\$31.94	\$33.66	\$35.44	\$37.27	\$39.15	\$41.07	\$43.01	\$45.00	\$47.04	\$49.14	\$51.29	\$53.49	\$55.74	\$58.04	\$60.39	\$1,276.84
MTS		\$81.18	\$83.73	\$86.37	\$89.09	\$91.90	\$94.79	\$97.78	\$100.86	\$104.03	\$107.31	\$110.69	\$114.18	\$117.78	\$121.49	\$125.31	\$129.26	\$133.33	\$137.53	\$141.86	\$146.33	\$150.94	\$155.70	\$160.60	\$2,682.04
Northstar		\$0.00	\$11.22	\$13.06	\$13.48	\$13.90	\$14.34	\$14.79	\$15.26	\$15.74	\$16.23	\$16.74	\$17.27	\$17.81	\$18.38	\$18.95	\$19.55	\$20.17	\$20.80	\$21.46	\$22.13	\$22.83	\$23.55	\$24.29	\$391.95
TOTAL OPERATING USES OF FUNDS		\$350.20	\$373.76	\$388.41	\$402.03	\$416.12	\$430.71	\$459.60	\$475.65	\$492.26	\$509.43	\$527.25	\$545.64	\$564.66	\$584.39	\$604.75	\$625.82	\$647.61	\$670.21	\$693.53	\$717.66	\$742.61	\$768.50	\$795.21	\$12,786.02
NET OPERATING																									

APPENDIX F - SENSITIVITY ANALYSIS: SCENARIO 4 – HIGH ENERGY PRICES

CCLRT RAIL PROJECT CASH FLOWS
High Energy Prices
FY08 through FY30
(Revenue and Expenditure: Millions of Year-of-Expenditure (inflated) Dollars)

9/4/2008

CAPITAL SOURCES OF FUNDS																									Prior +
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Regional Capital Proceeds	0	\$49.54	\$40.07	\$47.47	\$36.41	\$33.34	\$32.27	\$34.80	\$35.20	\$35.60	\$36.00	\$36.40	\$36.80	\$37.20	\$37.60	\$38.10	\$38.60	\$39.10	\$39.60	\$40.10	\$40.60	\$41.10	\$41.60	\$42.10	\$889.60
5307 Federal Formula	0	\$0.00	\$0.00	\$0.00	\$0.50	\$3.06	\$3.15	\$3.25	\$3.35	\$5.20	\$5.71	\$5.88	\$6.06	\$6.24	\$6.43	\$6.62	\$6.82	\$7.03	\$7.24	\$7.45	\$7.68	\$7.91	\$8.15	\$8.39	\$116.12
5309 Fixed Guideway Modernization	0	\$0.00	\$0.00	\$0.00	\$1.98	\$4.08	\$4.20	\$4.33	\$4.46	\$5.35	\$9.43	\$9.71	\$10.00	\$10.30	\$14.37	\$15.58	\$16.05	\$16.53	\$17.03	\$17.54	\$18.06	\$18.60	\$19.16	\$19.74	\$236.49
Federal Other CIP	\$0.00	\$74.99	\$26.53	\$86.34	\$71.60	\$28.74	\$24.33	\$55.20	\$56.90	\$58.60	\$60.40	\$62.20	\$64.10	\$66.00	\$68.00	\$70.00	\$72.10	\$74.30	\$76.50	\$78.80	\$81.20	\$83.60	\$86.10	\$88.70	\$1,515.25
Sec 5309 New Starts	\$1.44	\$2.07	\$0.00	\$0.00	\$95.00	\$95.00	\$95.00	\$95.00	\$69.44	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$452.94
CMAQ	\$4.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4.50
CTIB CCLRT	\$0.00	\$0.00	\$72.41	\$202.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$274.47
State CCLRT	\$2.08	\$21.11	\$18.02	\$50.28	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Local Capital Assistance	\$0.00	\$1.19	\$23.82	\$66.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$91.49
Subtotal Grants	\$8.02	\$148.90	\$180.84	\$452.63	\$205.49	\$164.22	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,672.34
Financing Program																									
Construction Tax Exempt Commercial Paper	0	\$0.00	\$0.00	\$4.19	\$151.14	\$29.64	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97
TOTAL CAPITAL SOURCES OF FUNDS	\$8.02	\$148.91	\$180.84	\$456.81	\$356.63	\$193.86	\$158.96	\$192.57	\$169.34	\$104.75	\$111.54	\$114.19	\$116.96	\$119.74	\$126.40	\$130.30	\$133.57	\$136.96	\$140.36	\$143.89	\$147.54	\$151.21	\$155.01	\$158.93	\$3,857.32
CAPITAL USES OF FUNDS																									Prior +
(Year of Expenditure Dollars in Millions)	Prior Years	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Central Corridor Light Rail Transitway	\$8.02	\$24.38	\$114.25	\$322.62	\$232.74	\$111.04	\$70.13	\$31.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$914.89
Other Capital Programs																									
Rail Rehabilitation & Replacement	0	\$0.00	\$5.75	\$4.06	\$3.57	\$3.97	\$2.34	\$4.05	\$3.48	\$9.99	\$8.24	\$6.39	\$6.27	\$10.02	\$6.70	\$10.19	\$15.60	\$32.98	\$11.95	\$10.15	\$13.53	\$10.92	\$8.79	\$19.32	\$208.27
Bus Preservation and Expansion	0	\$105.39	\$50.41	\$124.46	\$94.16	\$59.14	\$53.51	\$86.50	\$89.00	\$91.60	\$94.40	\$97.10	\$99.90	\$102.80	\$106.90	\$110.00	\$113.20	\$116.50	\$120.00	\$123.60	\$127.30	\$132.40	\$136.20	\$140.20	\$2,374.66
Total Other Capital Programs	0	\$105.39	\$56.16	\$128.53	\$97.73	\$63.10	\$55.85	\$90.55	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$2,582.94
Financing Program																									
Interest	0	\$0.00	\$0.00	\$0.37	\$13.10	\$13.23	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26.70
Refinanced Principal from Constr/Rail Car TECP	0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$184.97
Reissuance of Cumulative TECP	0	\$0.00	\$0.00	\$0.00	\$0.01	\$0.30	\$0.36	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1.04
Debt Issuance	0	\$0.00	\$0.00	\$0.01	\$0.30	\$0.06	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.36
Total Financing Program	0	\$0.00	\$0.00	\$0.37	\$13.41	\$13.60	\$185.34	\$0.36	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$213.07
TOTAL CAPITAL USES OF FUNDS	\$8.02	\$129.76	\$170.41	\$451.53	\$343.87	\$187.74	\$311.32	\$122.62	\$92.48	\$101.59	\$102.64	\$103.49	\$106.17	\$112.82	\$113.60	\$120.19	\$128.80	\$149.48	\$131.95	\$133.75	\$140.83	\$143.32	\$144.99	\$159.52	\$3,710.90
NET CAPITAL CASH FLOW	0	\$19.14	\$10.44	\$5.29	\$12.76	\$6.12	(\$152.36)	\$69.95	\$76.86	\$3.16	\$8.90	\$10.70	\$10.79	\$6.92	\$12.80	\$10.11	\$4.77	(\$12.52)	\$8.42	\$10.15	\$6.71	\$7.89	\$10.01	(\$0.59)	\$146.42
OPERATING SOURCES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Fiscal Yr	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Fare Revenue	\$79.56	\$85.35	\$89.04	\$91.29	\$99.84	\$102.36	\$126.33	\$129.59	\$132.87	\$137.26	\$142.67	\$144.96	\$154.10	\$156.56	\$166.41	\$169.04	\$179.67	\$182.49	\$193.94	\$196.96	\$209.30	\$212.54	\$226.63	\$3,408.75	
Motor Vehicle Sales Tax	\$131.64	\$114.48	\$139.72	\$162.10	\$177.68	\$184.78	\$192.18	\$199.86	\$207.86	\$216.17	\$224.82	\$233.81	\$243.16	\$252.89	\$263.01	\$273.53	\$284.47	\$295.85	\$307.68	\$319.99	\$332.79	\$346.10	\$359.94	\$5,464.48	
CTIB - Funding	\$0.00	\$43.00	\$12.64	\$13.18	\$12.03	\$12.79	\$16.90	\$19.47	\$19.85	\$19.79	\$19.61	\$20.82	\$21.29	\$22.27	\$21.78	\$23.16	\$23.66	\$24.77	\$25.30	\$25.35	\$26.29	\$27.54	\$28.00	\$479.50	
Other Transit Related	\$9.84	\$10.15	\$10.47	\$10.80	\$11.14	\$11.49	\$11.86	\$12.23	\$12.61	\$13.01	\$13.42	\$13.84	\$14.28	\$14.73	\$15.19	\$15.67	\$16.17	\$16.68	\$17.20	\$17.74	\$18.30	\$18.88	\$19.47	\$325.19	
Other local Operating Assistance	\$5.45	\$1.43	\$1.44	\$0.88	\$0.72	\$0.75	\$0.77	\$0.79	\$0.82	\$0.84	\$0.87	\$0.90	\$0.93	\$0.96	\$0.99	\$1.02	\$1.05	\$1.08	\$1.12	\$1.15	\$1.19	\$1.22	\$1.26	\$27.62	
Federal Operating Assistance	\$34.95	\$32.40	\$33.27	\$34.15	\$35.07	\$36.00	\$36.97	\$37.96	\$38.97	\$40.02	\$41.09	\$42.19	\$43.32	\$44.48	\$45.67	\$46.89	\$48.15	\$49.44	\$50.77	\$52.13	\$53.53	\$54.96	\$56.44	\$988.79	
State	\$91.61	\$82.60	\$87.56	\$88.84	\$88.44	\$89.94	\$94.81	\$98.15	\$99.30	\$100.02	\$100.62	\$102.63	\$103.89	\$105.69	\$106.02	\$108.21	\$109.55	\$111.50	\$112.87	\$113.78	\$115.57	\$117.70	\$119.02	\$2,348.34	
Investment Income	\$0.75	\$1.06	\$2.08	\$0.77	\$0.44	\$0.65	\$0.57	\$1.20	\$2.25	\$2.03	\$2.09	\$2.39	\$1.93	\$1.57	\$2.44	\$2.30	\$2.44	\$2.82	\$2.13	\$2.07	\$2.94	\$2.81	\$2.92	\$42.66	
TOTAL OPERATING SOURCES OF FUNDS	\$353.81	\$370.48	\$376.23	\$402.00	\$425.36	\$438.77	\$480.38	\$499.25	\$514.54	\$529.15	\$545.18	\$561.54	\$582.90	\$599.13	\$621.51	\$639.82	\$665.14	\$684.61	\$711.00	\$729.17	\$759.90	\$781.75	\$813.69	\$13,085.33	
OPERATING USES OF FUNDS																									
(Year of Expenditure Dollars in Millions)	Fiscal Yr	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2008-2037
Metro Transit Bus	\$247.30	\$256.39	\$265.85	\$275.61	\$285.72	\$296.20	\$299.26	\$310.26	\$321.65	\$333.45	\$345.73	\$358.39	\$371.52	\$385.16	\$399.25	\$413.84	\$428.95	\$444.66	\$460.87	\$477.67	\$495.07	\$513.15	\$531.82	\$8,517.77	
Metro Transit Light Rail	\$24.42	\$25.20	\$26.01	\$26.85	\$27.71	\$28.60	\$51.35	\$52.98	\$54.67	\$56.41	\$58.21	\$60.07	\$61.98	\$63.96	\$65.99	\$68.10	\$70.27	\$72.50	\$74.82	\$77.20	\$79.66	\$82.20	\$84.82	\$1,293.96	
MTS	\$82.09	\$84.67	\$87.34	\$90.09	\$92.93	\$95.85	\$98.87	\$101.99	\$105.20	\$108.51	\$111.93	\$115.46	\$119.10	\$122.85	\$126.72	\$130.71	\$134.83	\$13							