Virginia Department of Rail & Public Transportation

Transit Resource Allocation Plan Capital Projection

Transit Service Delivery Advisory Committee

May 5, 2016

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CAPITAL PROJECTION METHODOLOGY OVERVIEW

→ Purpose of the study

- 10-year baseline projection of transit capital revenues
- 10-year baseline projection of transit capital costs
- Gap analysis
  - Deficit/additional revenues needed
  - Change in state match rates due to lower revenues
- Sensitivity analysis of assumptions in model

APPROACH

- → Prepare 10-year projection of state revenues
- → Adjust FY16 SYIP
- → Prepare 10-year projection of capital costs
  - WMATA (using WMATA FY16 CIP)
  - Other top spending agencies
  - All other agencies

ASSUMPTIONS

Transit Resource Allocation Plan Capital Projection

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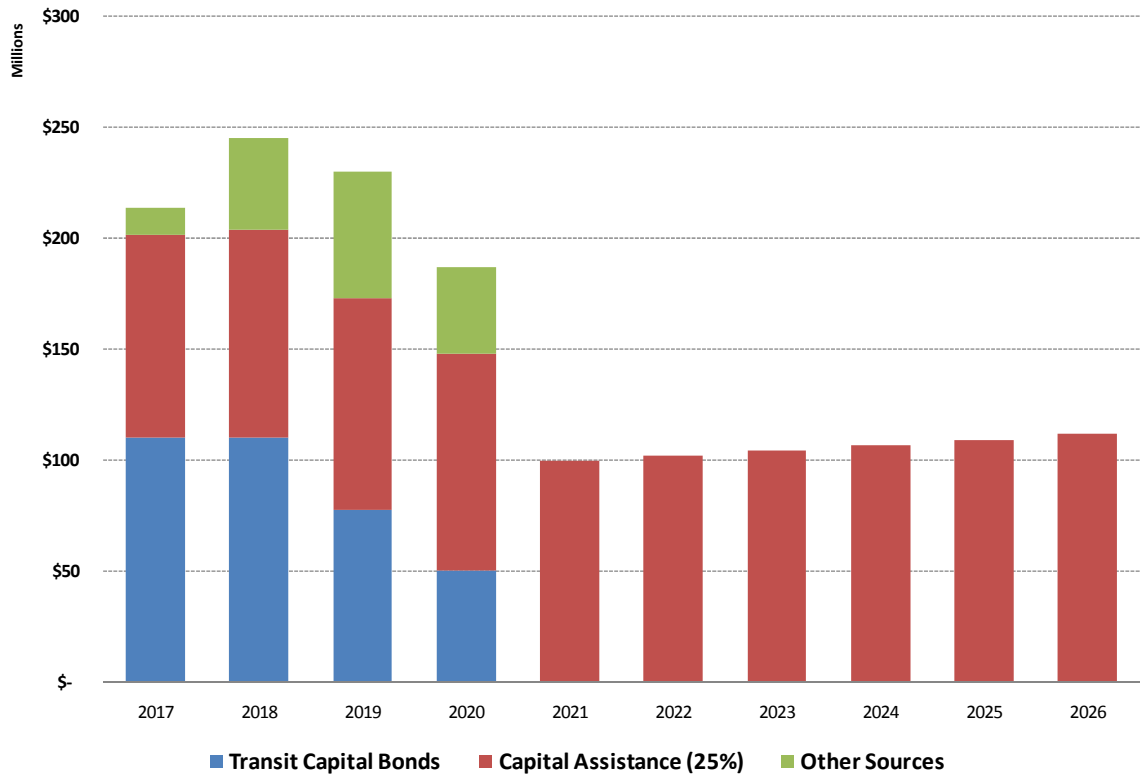
$1.5 BILLION STATE TRANSIT CAPITAL REVENUE



**Excludes federal funds disbursed by the State*

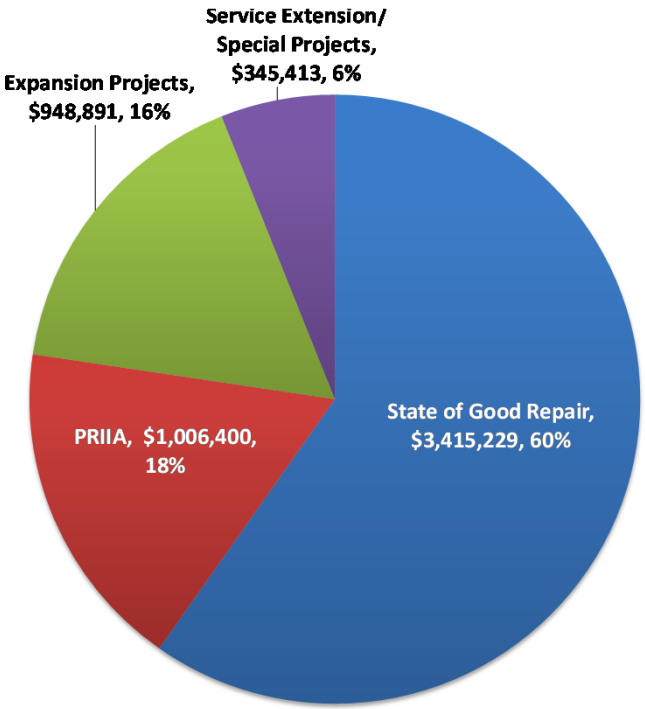
PROJECT CATEGORIES

- State of Good Repair
  - Rehabilitation and replacement projects such as purchase of replacement vehicles; amenities including shelters, fare payment, bike racks, signage; computers, communications and technology; security; and track lease and debt service payments
- Expansion Projects
  - Expansion vehicles (bus, vans, and service vehicles)
  - Significant new facilities and upgrades such as construction of second elevators, station entrances, and parking garages
- Service Extension/Special Projects
  - Virginia Beach Light Rail Transit (LRT) Extension; Richmond Bus Rapid Transit (BRT); Norfolk Naval Station Transit Extension; Route 1 BRT in Fairfax County; and Bus Construction Admin/Maintenance Facility in Lynchburg

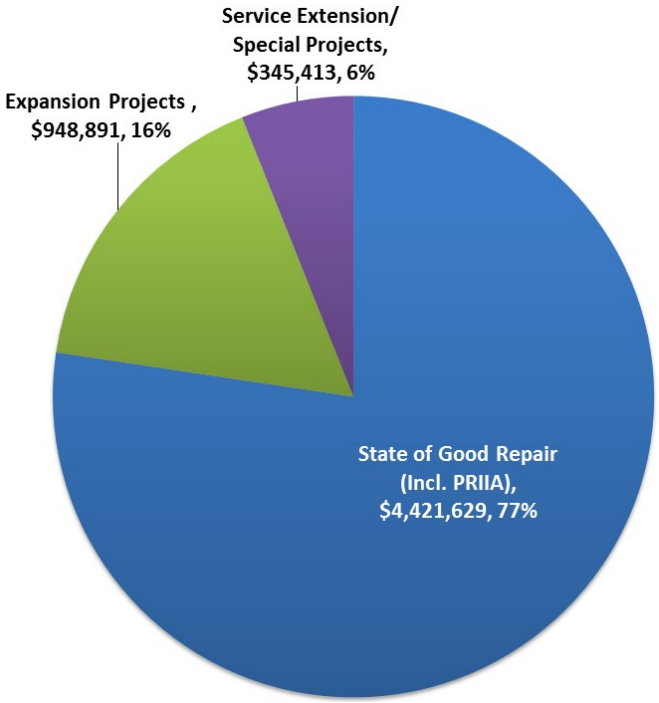
STATE TRANSIT CAPITAL FUNDING TIERS

- Tier 1
  - Replacement/Expansion Vehicles
- Tier 2
  - Infrastructure/Facilities
- Tier 3
  - Other

$5.7 BILLION PROJECTED STATEWIDE TRANSIT CAPITAL INVESTMENTS BY TYPE ($000, FY17-FY26)

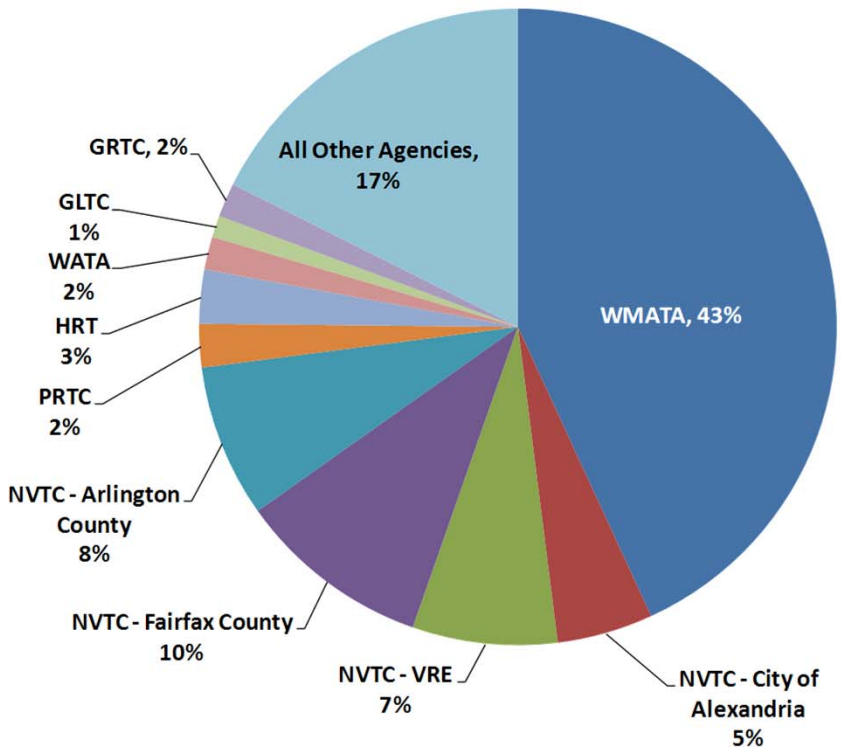


SGR Excludes PRIIA

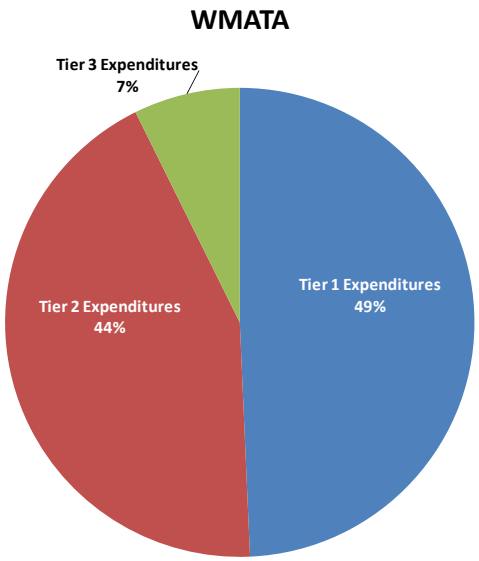


SGR Includes PRIIA

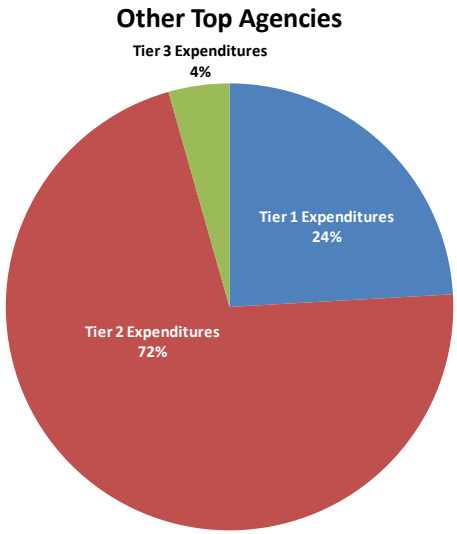
$2.1 BILLION STATE TRANSIT CAPITAL FUNDING NEEDS BY AGENCY FY17-26 TOTAL



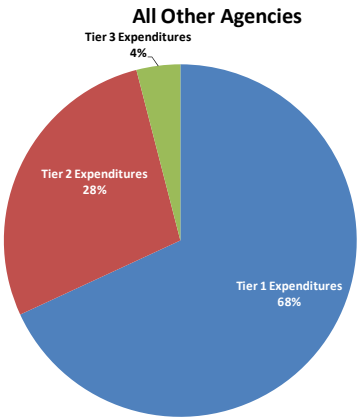
$2.1 BILLION STATE TRANSIT CAPITAL FUNDING NEEDS BY TIER FOR WMATA; OTHER TOP AGENCIES; ALL OTHERS



$0.9 Billion

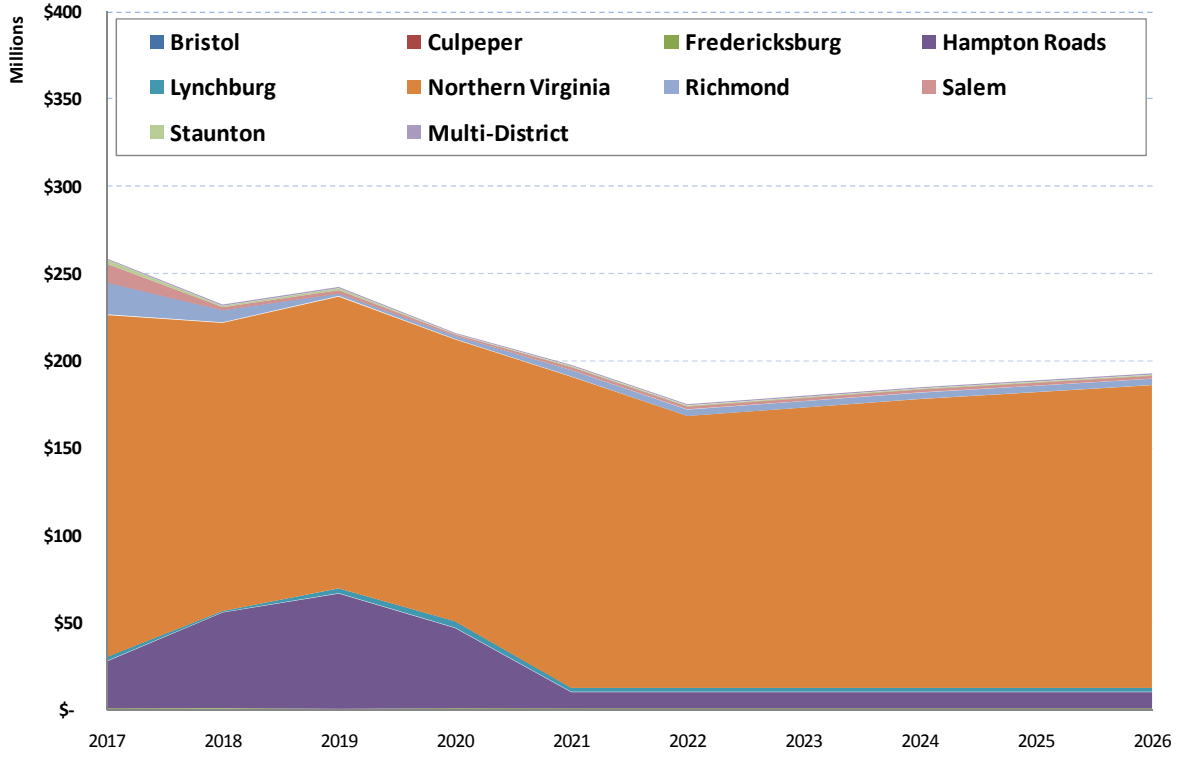


$0.8 Billion

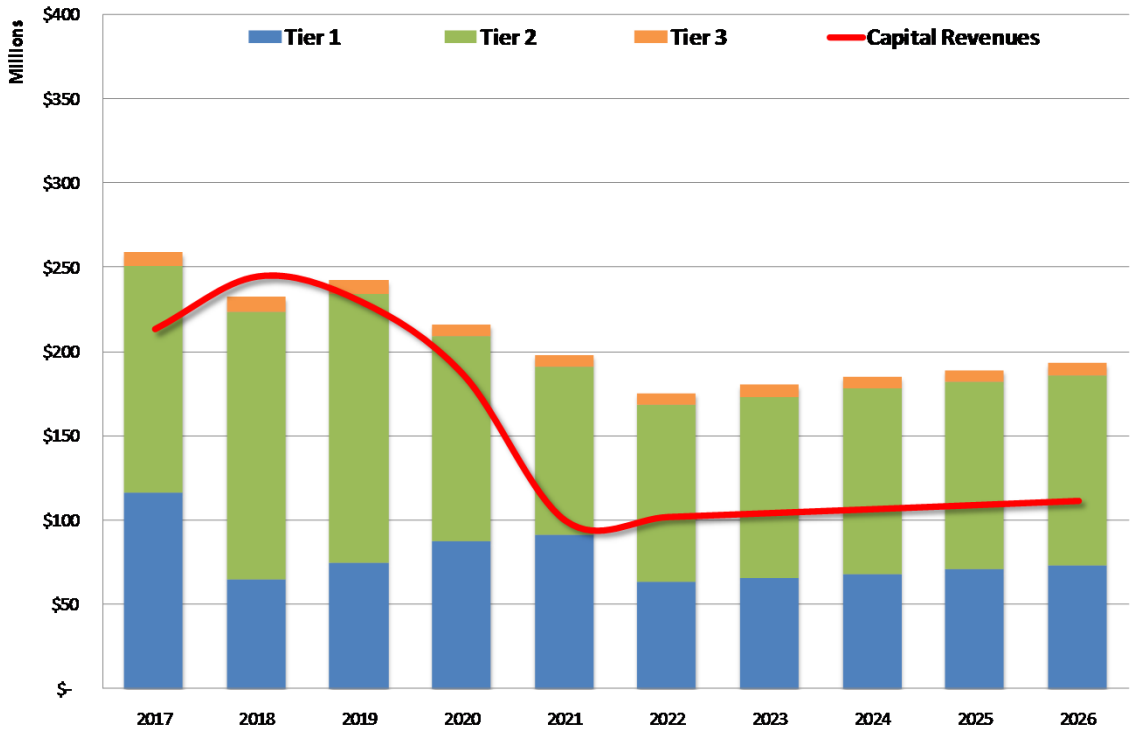


$0.4 Billion

$2.1 BILLION STATE FUNDING NEEDS BY DISTRICT FY17-26



$2.1 BILLION STATE CAPITAL FUNDING NEEDS BY TIER & $1.5 BILLION PROJECTED STATE REVENUE FY17-26



**Excludes share of transit capital costs funded by federal revenues*

PROJECTION SCENARIOS

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SENSITIVITY ANALYSIS ASSUMPTIONS FOR VARIABLES – FY2016 UPDATED PROJECTION

Variables	Low	Baseline	High
WMATA magnitude of future capital program	15% lower than baseline projection for all tiers in out years	Relative magnitude of tiers remain same as 6-year CIP in out years	Tier 2 expenditures 10% higher than baseline projection in out years
WMATA out-year growth	FY17-20 SYIP statewide CAGR (-3.0%)	FY15-21 WMATA six-year CIP CAGR (2.77%)	ENR Construction Cost Index (3.1%)
Other top spending agencies out-year growth	FY17-20 SYIP statewide CAGR (-3.0%)	No growth or decline (0%)	ENR Construction Cost Index (3.1%)
Other agencies out-year growth	FY17-20 SYIP statewide CAGR (-3.0%)	No growth or decline (0%)	ENR Construction Cost Index (3.1%)
State transit capital revenue	N/A	SYIP + HB1887 revenues	Baseline+ Additional $84 million annual capital bond revenues from FY22-26

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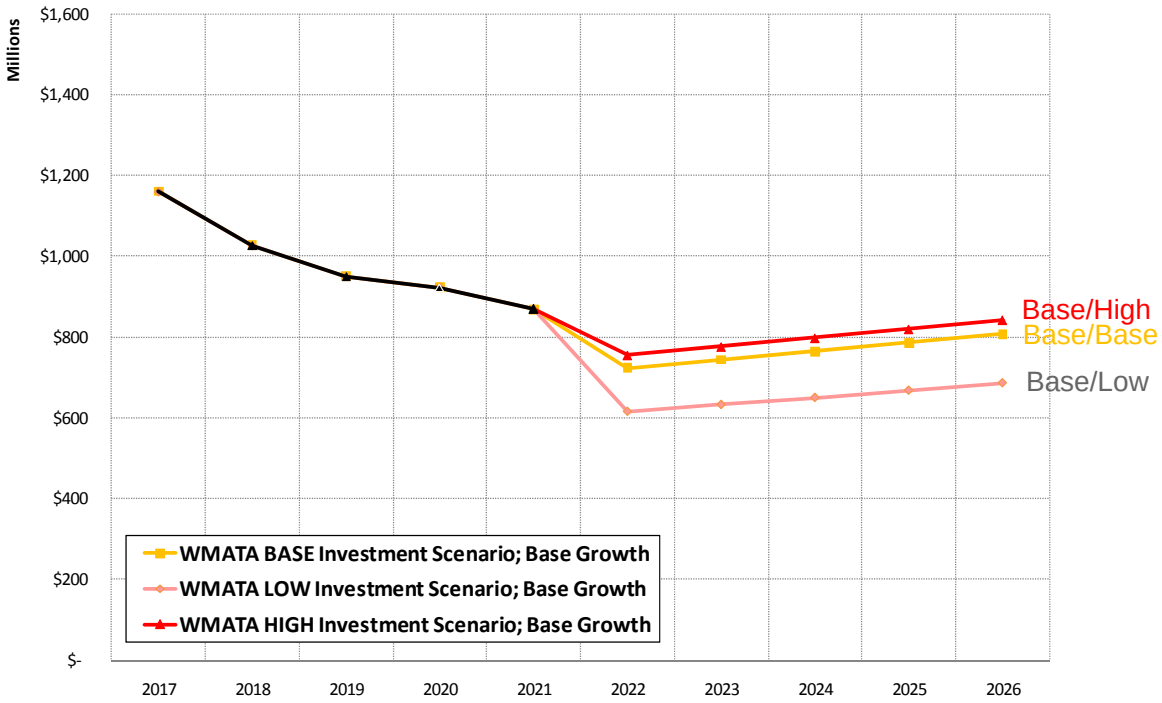
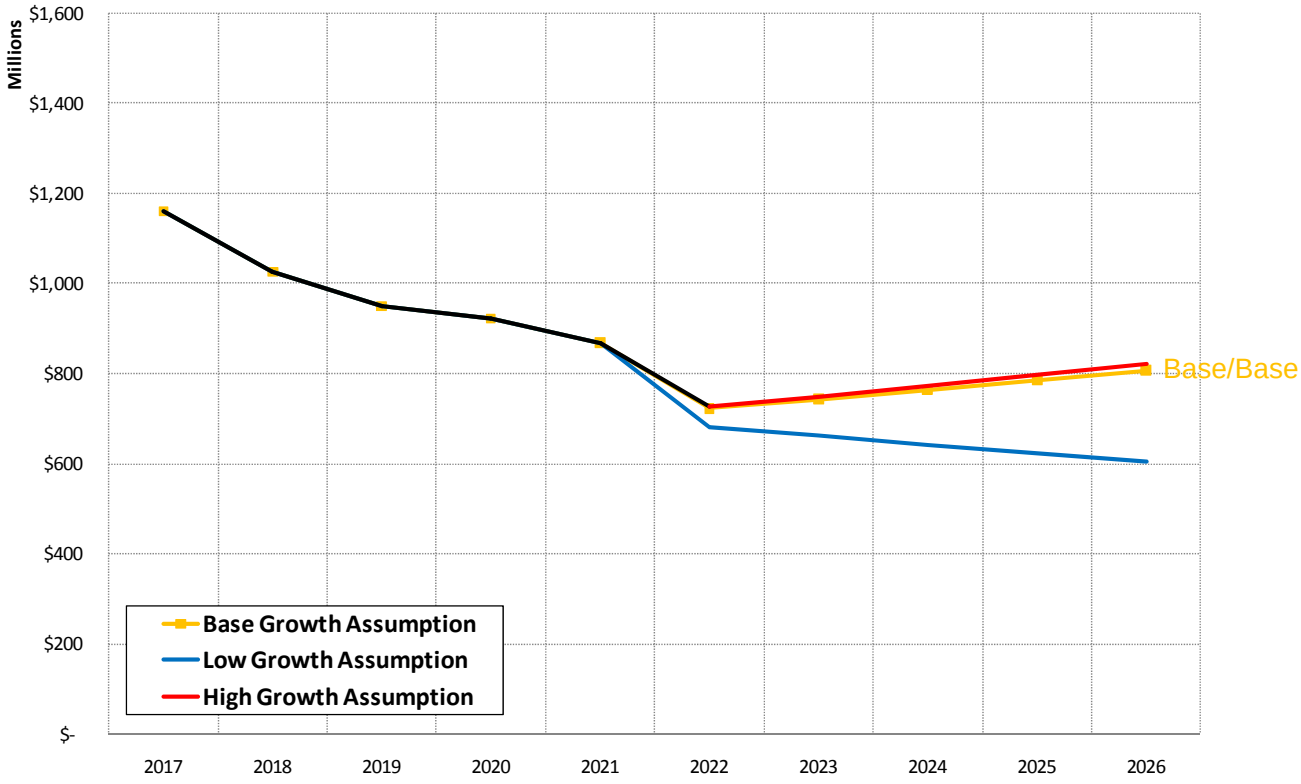
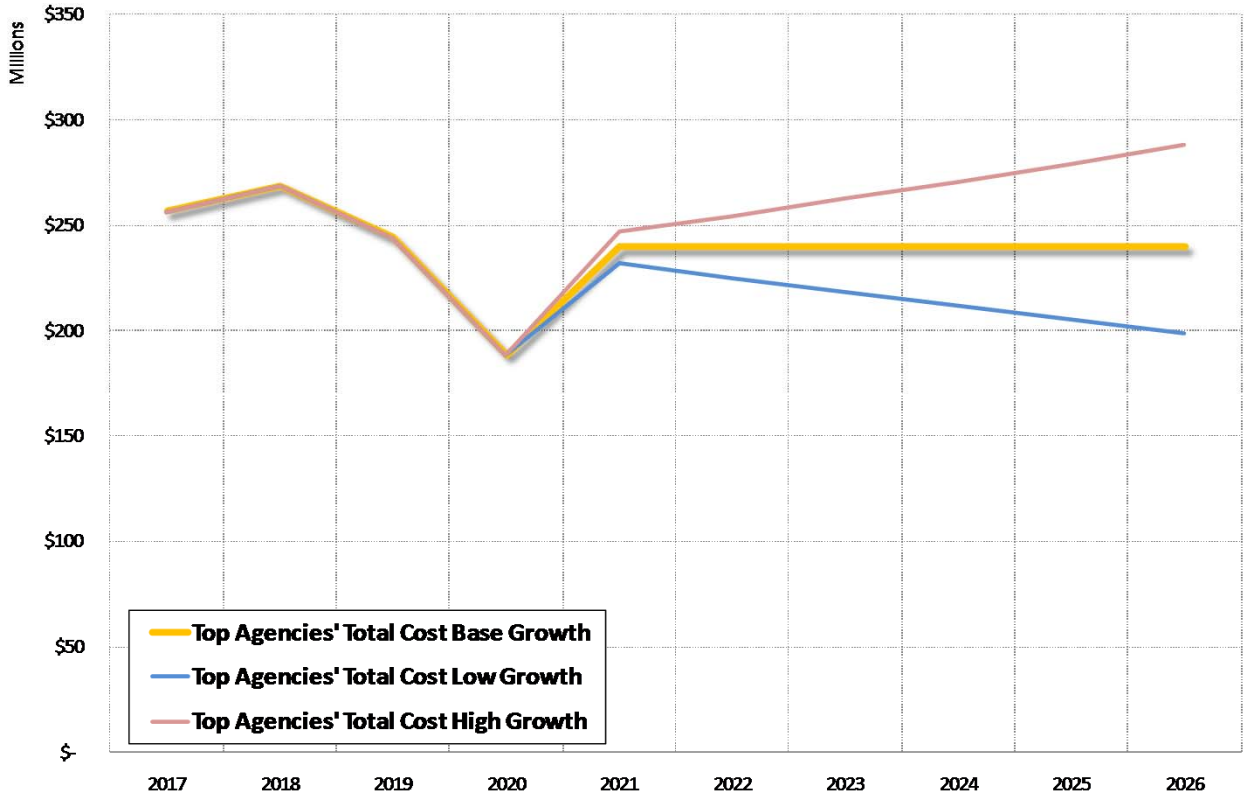
WMATA TOTAL TRANSIT CAPITAL COSTS
BASE GROWTH; BASE, LOW, AND HIGH INVESTMENT



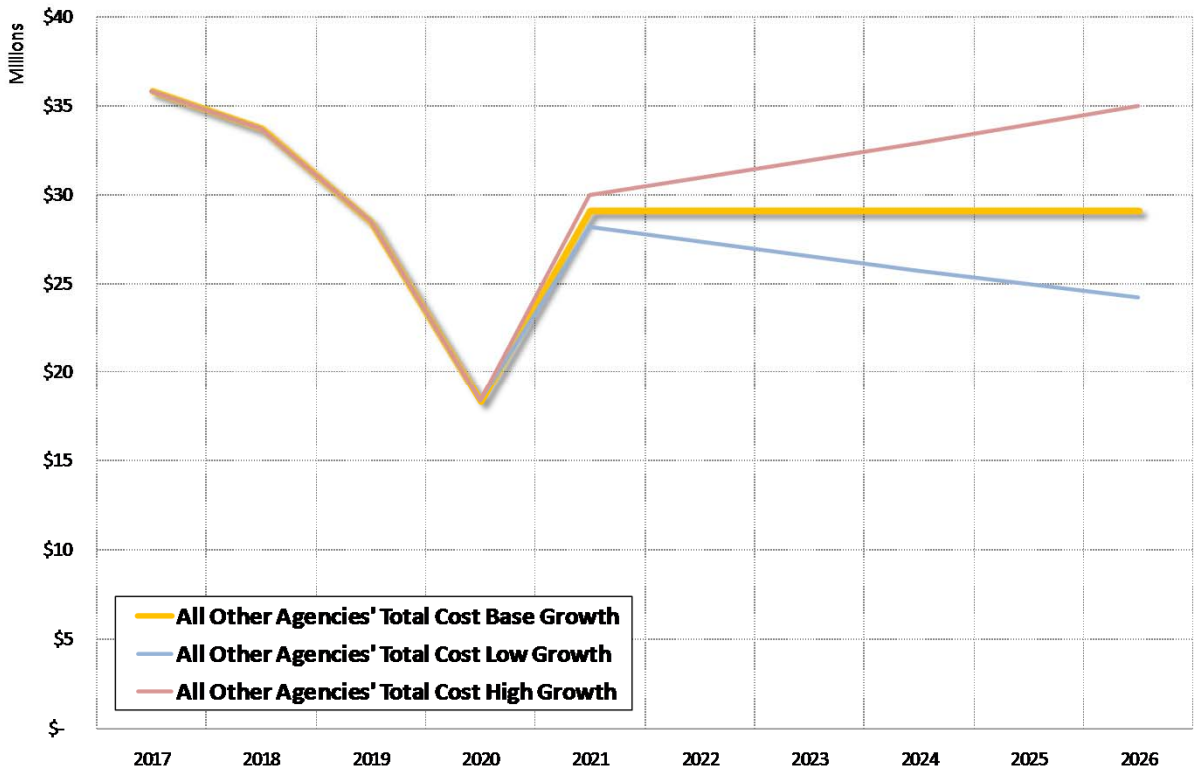
WMATA TOTAL TRANSIT CAPITAL COSTS
BASE INVESTMENT; BASE, LOW, AND HIGH GROWTH



TOTAL TRANSIT CAPITAL COSTS
TOP SPENDING AGENCIES (OTHER THAN WMATA)



TOTAL TRANSIT CAPITAL COSTS
ALL OTHER AGENCIES



PROJECTED SURPLUS/DEFICIT

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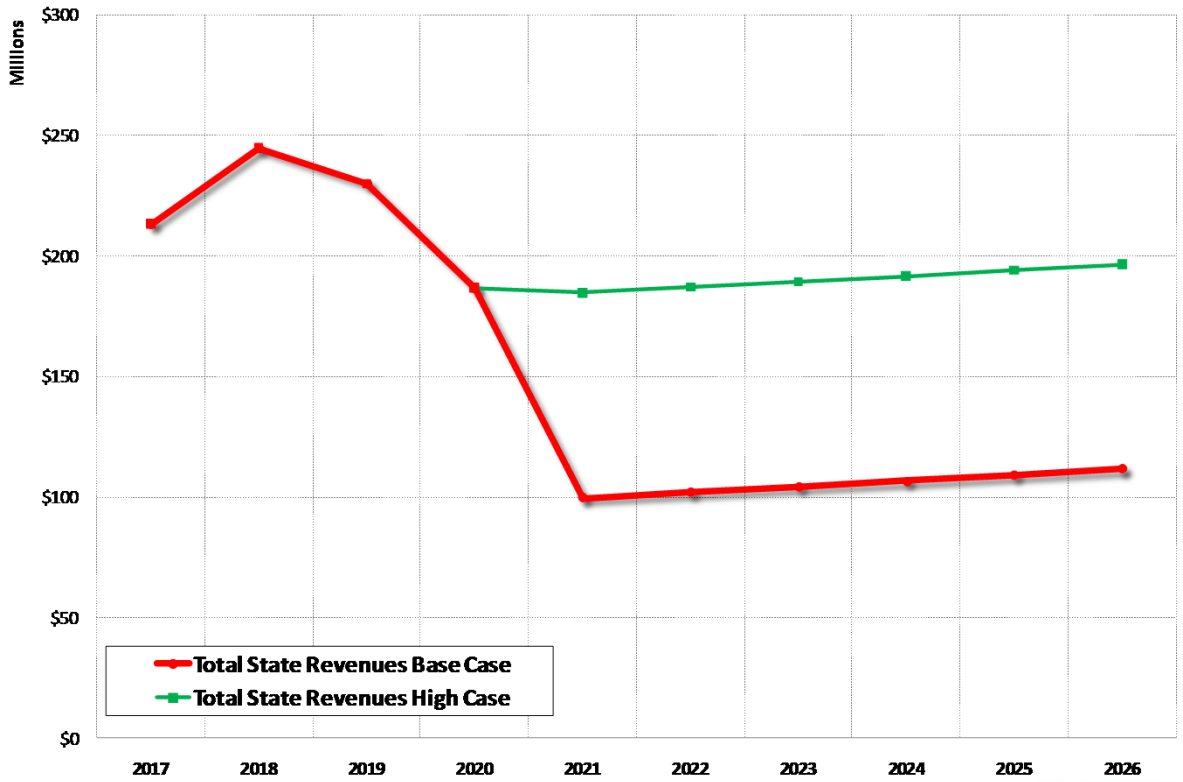
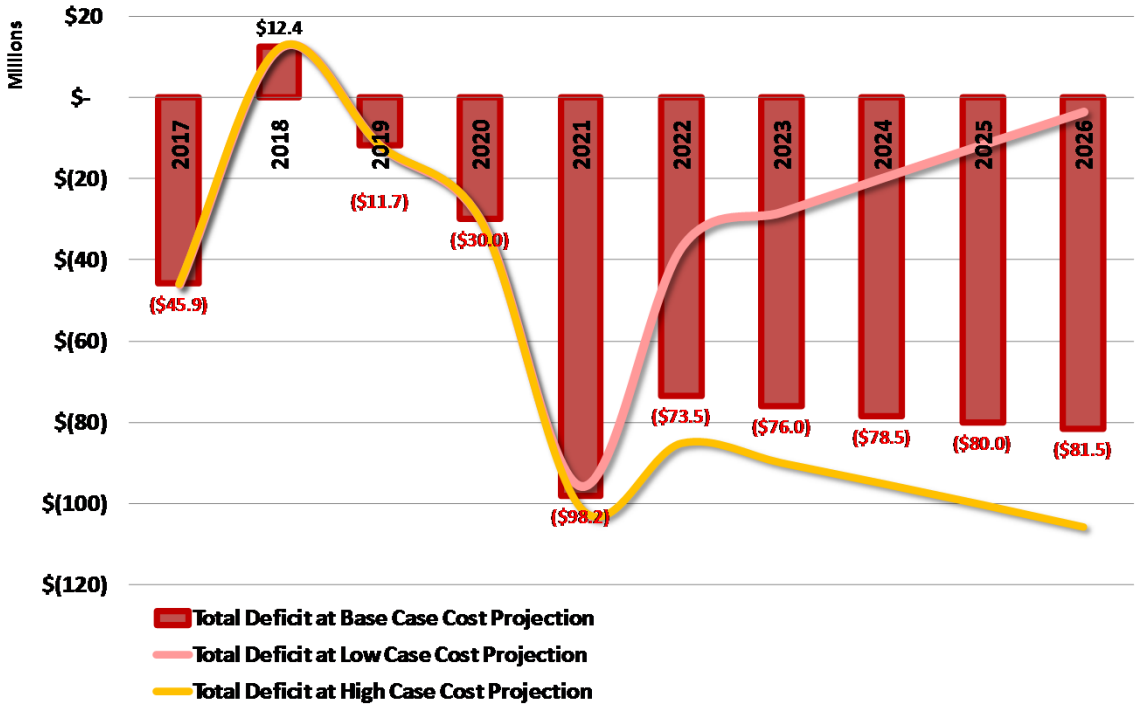
STATE TRANSIT CAPITAL REVENUE BASE AND HIGH SCENARIOS

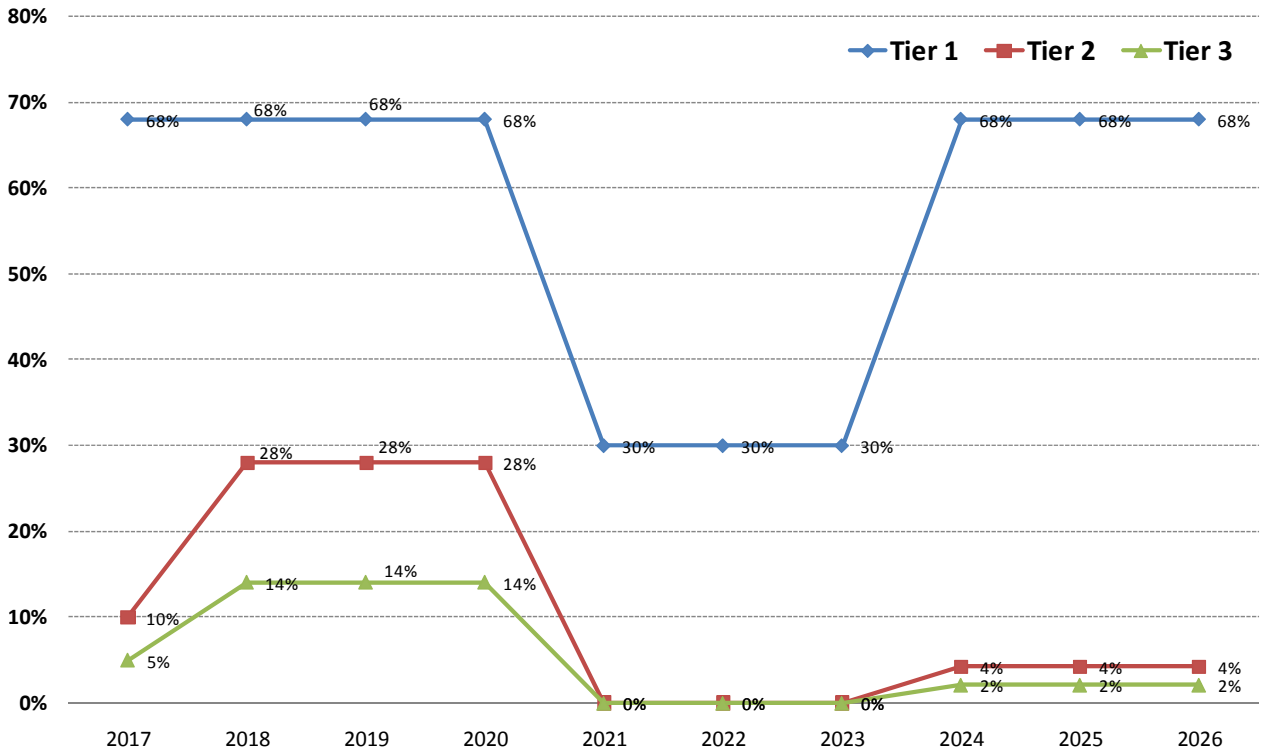


TRANSIT CAPITAL DEFICIT/SURPLUS AT CURRENT STATE MATCH RATES



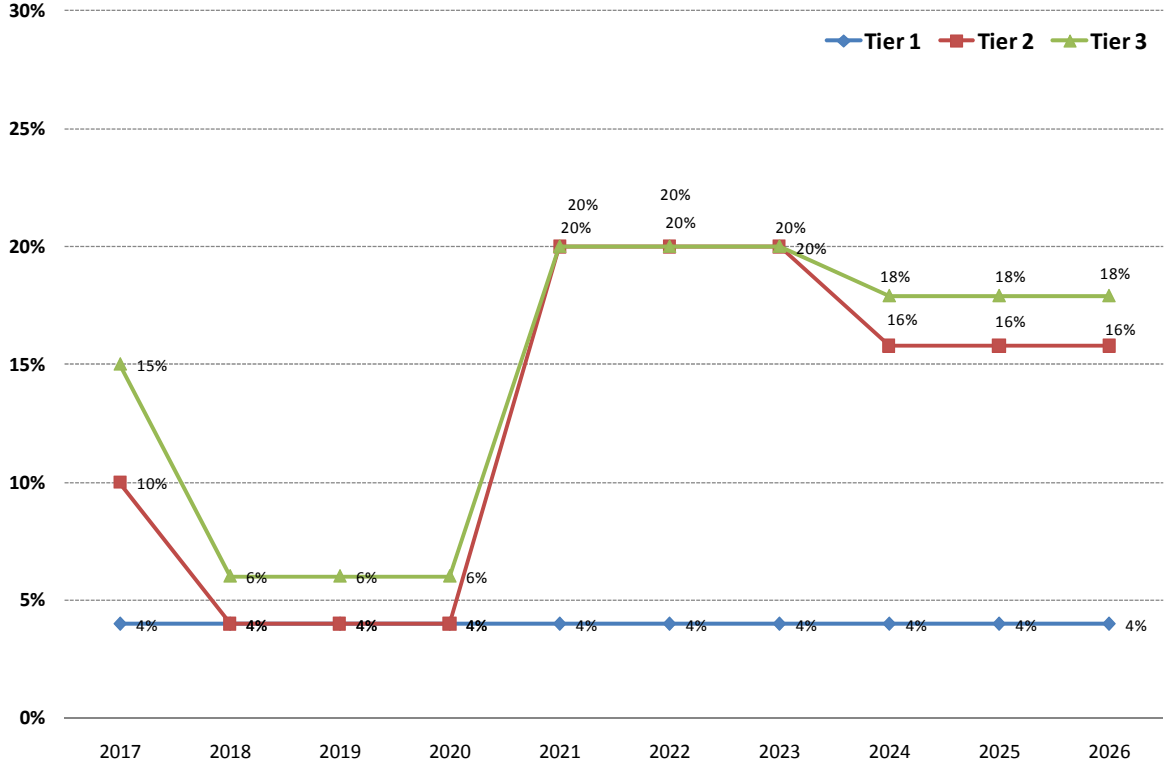
STATE MATCH RATES

TIER 1 MATCH MAINTAINED AT HIGH PRIORITY



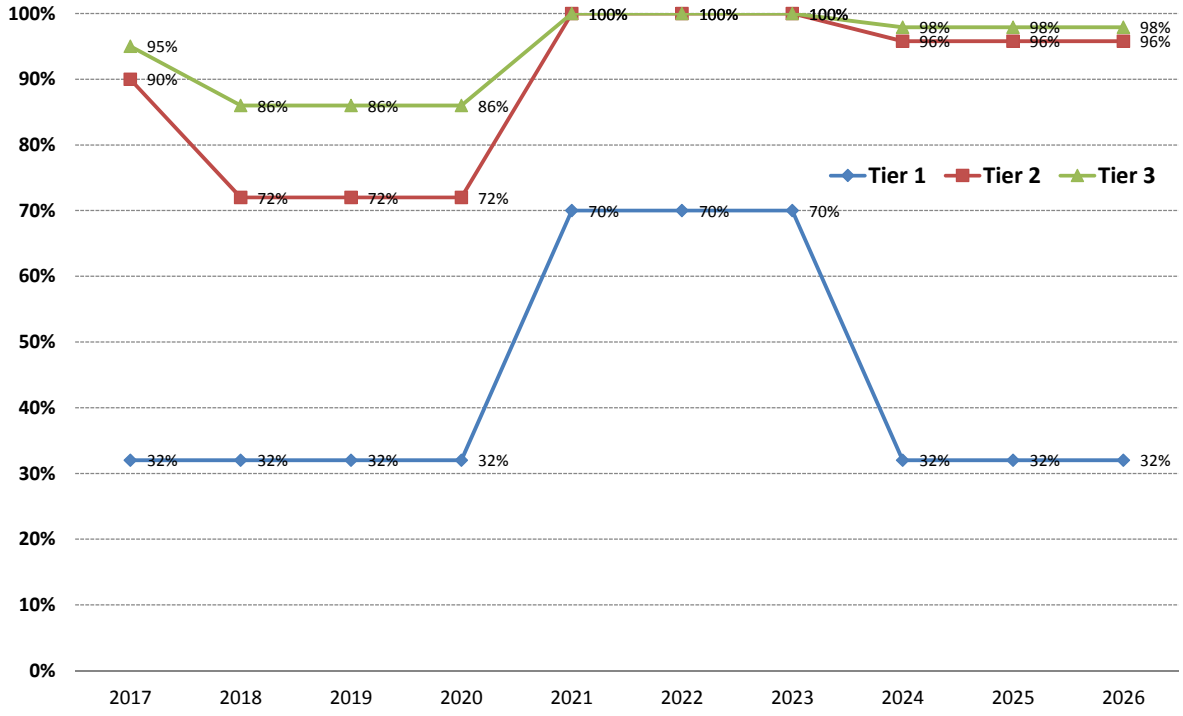
LOCAL MATCH RATES FOR FED FUNDED PROJECTS

TIER 1 MATCH MAINTAINED AT HIGH PRIORITY



Federal funding assumed to be 80% of project cost

LOCAL MATCH RATES FOR NON-FED FUNDED PROJECTS
TIER 1 MATCH MAINTAINED AT HIGH PRIORITY



IMPLICATIONS

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IMPLICATIONS OF ANALYSIS

- Funding deficit likely under all projection scenarios
- Tier 1 will be funded at current state participation rate most years
  - Exceptions: 2021-2023
- Significant drop in Tier 2 and 3 state funding participation rates post 2021
- More pronounced impact on projects without federal funding

- **Maintaining the state participation rate currently enjoyed by agencies will require additional revenue averaging $57 million annually**

CONTACTS

Consultant Team

Nathan Macek
Director of Project Development & Finance
WSP | Parsons Brinckerhoff
202-365-2927 (direct/mobile)
202-370-2912 (office)
maceknm@pbworld.com

APPENDIX: PROJECTED RESULTS, RELATIVE TIER MATCH RATIO MAINTAINED

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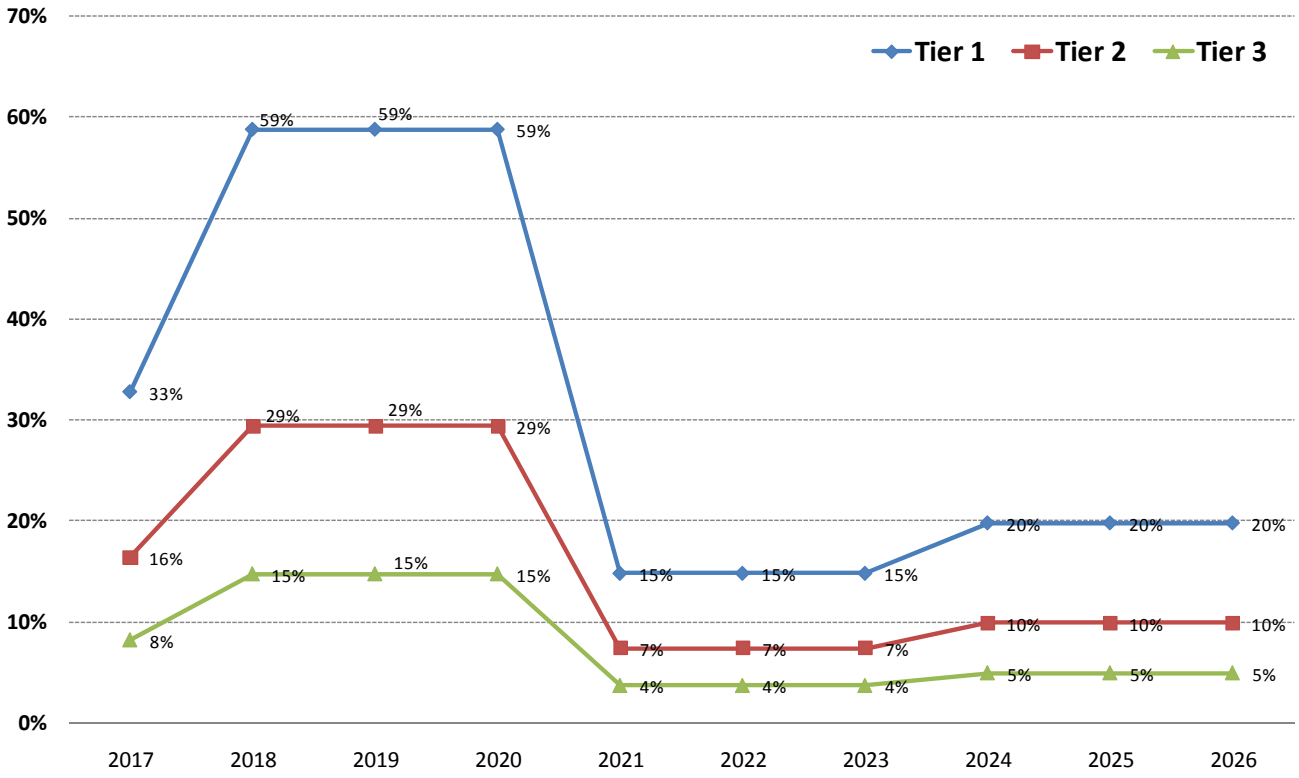
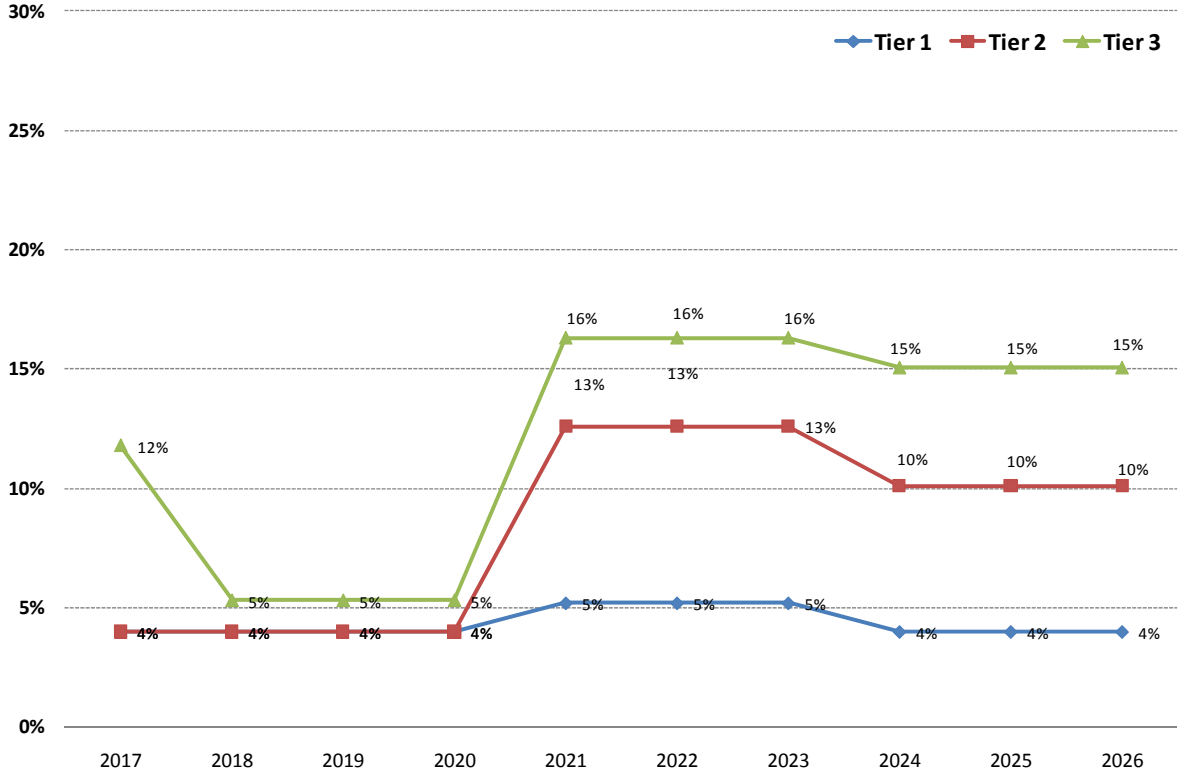
STATE MATCH RATES

RELATIVE TIER MATCH RATIO MAINTAINED AT 4:2:1



LOCAL MATCH RATES FOR FED FUNDED PROJECTS

RELATIVE TIER MATCH RATIO MAINTAINED AT 4:2:1



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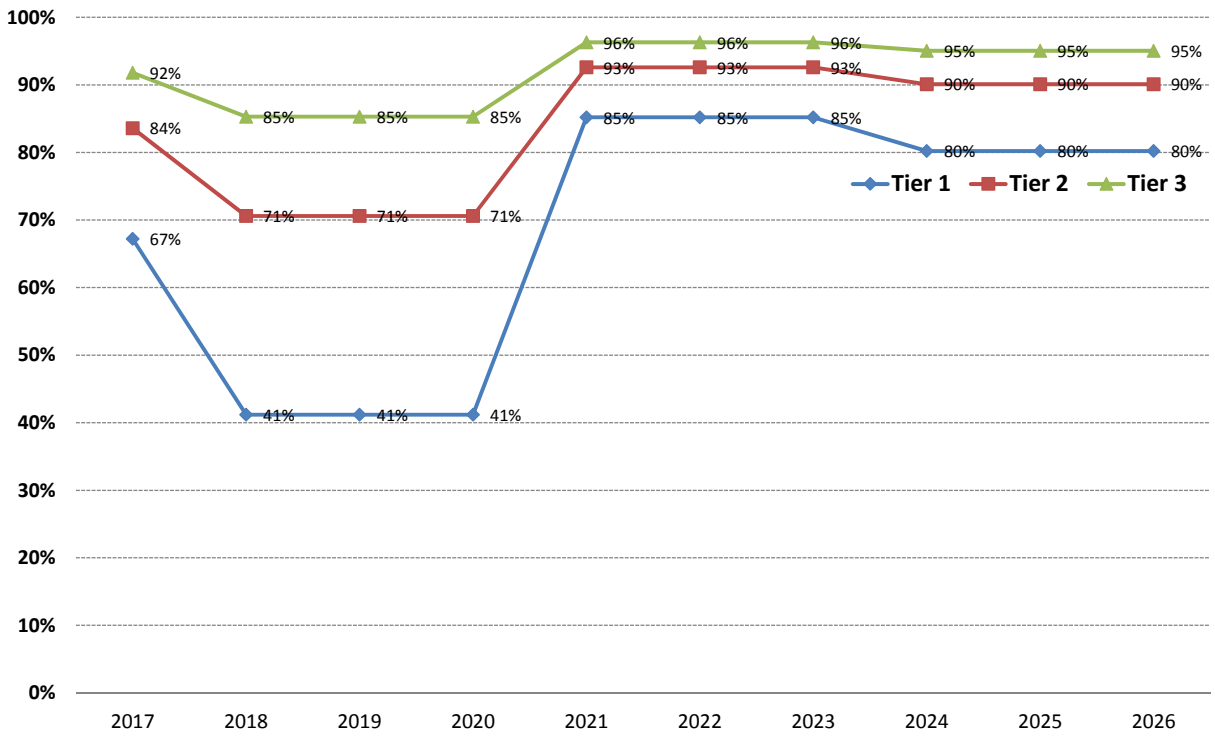
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RELATIVE TIER MATCH RATIO MAINTAINED AT 4:2:1