



MEMORANDUM

To: Kevin Wallace, MAG Project Manager

From: Cynthia Whitehead, Consultant Finance Manager
Scott Miller, Consultant Project Manager

Date: 11/25/2008

Subject: MAG Transit Framework Study – Transit Mobility Scenarios Financial Assumptions

The purpose of this memo is to provide a summary of the general financial considerations assumed for the transit mobility scenarios. General financial limits, based on peer region transit investment levels, have been established to provide guidance for developing each scenario. The financial assumptions are not developed to serve as financial implementation plans.

General Revenue Calculations

Projected revenues have been divided between regional revenues and local revenues. Regional revenues include MAG ½ cent transportation sales tax extension (Proposition 400), Section 5307, Section 5309, MAG Federal CMAQ and an additional revenue source in Scenarios two and three. The local revenues include Fares, Local General Funds, and Local Sales Tax.

The MAG ½ cent transportation sales tax extension revenues for Fiscal Years 2008 – 2026 were obtained from the ADOT Forecast dated November 2008. The Fiscal Year 2026 sales tax was annualized from the seven month total in the forecast. The other regional revenues for Fiscal Years 2008 – 2028 were obtained from Table 7-3 in the MAG Regional Transportation Plan (RTP), 2007 Update. All local revenues for Fiscal Years 2008 – 2028 were obtained from Table 10-1 in the RTP, 2007 Update. The annual local revenues for those fiscal years were calculated by dividing the totals for each revenue source by the number of years in the forecast.

The assumed growth in revenues from fiscal years 2026 (sales tax) and 2028 (all other revenues) is based on the assumed population growth. The population figures were obtained from Table 3-2 in the RTP, 2007 Update.

Scenario Financial Descriptions

The transit mobility scenarios are being developed based on addressing regional public transportation needs within the framework of reasonable funding sources. Funding thresholds for each scenario are based on: 1) extending current funding levels, 2) increasing local and regional transit investments comparable to the current average annual expenditures per capita

of the MAG region's peers, and 3) increasing local and regional transit investments comparable to the current annual expenditures per capita in the Seattle region.

Scenario 1 (Basic Mobility) – Assumes the continuation of existing regional and local funding sources through 2030 and beyond. Assumptions include extending all local transit revenue sources (taxes, general fund contributions and fares) and regional revenue sources (MAG ½ cent transportation sales tax).

Scenario 2 (Enhanced Mobility) – Requires new local/regional funding source in 2015 and the continuation of existing local and regional funding sources through 2030 and beyond with an objective of increasing transit investments in the region to a level comparable to the peer region average expenditures per capita. It is estimated that the transit portion of the current MAG ½ cent transportation sales tax, if extended, would raise approximately \$10.3 billion between 2015 and 2030 (Sources: Official ADOT Forecast, November 2008, Fiscal Years 2008 – 2026, and HDR Engineering, Inc., Fiscal Years 2027 – 2030). Assuming all existing local and regional sources will be available between 2015 and 2030, an additional \$8 billion to \$10 billion will need to be invested in public transit between 2015 and 2030 to bring the MAG region's transit investment per capita to a level comparable to the peer regions' average investment today.

Scenario 3 (Transit Choice) - Requires new local/regional funding source in 2015 and the continuation of existing local and regional funding sources through 2030 and beyond with an objective of increasing transit investments in the region to a level comparable to the Seattle region's current expenditures per capita. It is estimated that the transit portion of the current MAG ½ cent transportation sales tax, if extended, would raise approximately \$10.3 billion between 2015 and 2030 (Sources: Official ADOT Forecast, November 2008, Fiscal Years 2008 – 2026, and HDR Engineering, Inc., Fiscal Years 2027 – 2030). Assuming all existing local and regional sources will be available between 2015 and 2030, an additional \$33 billion to \$37 billion will need to be invested in public transit between 2015 and 2030 to bring the MAG region's transit investment per capita to a level comparable to the Seattle region's average investment today.

The financial assumptions for the transit mobility scenarios will be further refined to determine appropriate local and regional funding needs to support each scenario.

Conceptual Funding Assumptions: Local and Regional

The objective of the Regional Transit Framework Study is to define high level regional transit needs. However, as the region continues to grow outward beyond the current developed land area and as agencies invest in new high capacity transit services, new or enhanced local transit service will be needed. To account for local and regional transit needs within each transit mobility scenario, financial considerations for local and regional investments will be generated. For example, the additional \$33 billion to \$37 billion in new transit investments estimated for Scenario 3 will be assumed to be generated from both local and regional sources.