Beyond September 2014:
Two Basic "What If" Scenarios

METRO Board of Directors
Friday - May 11, 2012

General Mobility Program
How is METRO funded?
Sources - FY2012 Budget

METRO's Continuing Revenue

- Recurring Grants
- Farebox
- Sales Tax

83%

10%

7%
Current Distribution of METRO Sales Tax

- GWP: 75%
- METRO: 25%
Distribution of General Mobility Program Payments

- City of Houston: 62%
- Harris County: 18%
- Multi-Cities: 16%
- M.A.P.: 4%
Scenario 2: What if GMP ends completely?

Scenario 1: What if GMP continues at 25%?

"What If" Scenarios
Starting Point Assumptions
- Continue move to financial sustainability
- Minimal State of Good Repair
- Fares at current levels
- Continue annual bus acquisitions
- Complete three rail lines under construction
- Complete three planned Park & Ride projects
- Maintain current bus service hours overall

Starting Point Assumptions: Inside METRO
- No catastrophic events
- Other federal grants grow only modestly
- Future New Starts grants at 50% match projections
- Economy and sales tax grow per Barton Smith
- Service area population grows per H-CAC

Starting Point Assumptions: Outside METRO
Buts and other tools are just as critical as rail.

Use the right transit tool to meet each need.

Maintain a "Smart Service" approach.

And overall...
March 2012 Projection

June 2008 Projection

Difference between June 2008 and March 2012 Projections

METRO 1 Cent Annual Sales Tax Revenue

A caveat on the effects of the recession

Starting Point Assumptions: Outside METRO
Financial Capacity

Metrorail Service

Capital Programs & State of Good Repair

Bus Acquisition

Metrorob Service

Scenarios: Consider key areas
Meeting transit needs
- Significantly shrink gap
- More amenities
- Additional routes
- Increased frequency
- Routes for local and commuter
- Increased service hours

**Scenario 2:** CMP ends

**Scenario 1:** CMP continues

Robust Service
Expansion of Fleet

Provides for significant expansion of fleet purchases in 2015

Cash basis for bus service vehicles

Provides for alternate scenario 2: CMP ends

Scenario 1: CMP continues

Bus Acquisition

Provides for very modest purchases by 2025

Cash basis for bus service vehicles

Provides for alternate
expansion
Significant Park & Ride
program
Expands bus shelter
maintenance program
Accelerates
Scenario 2: GMP Ends

expansion
Minimal Park & Ride
program
Limits bus shelter
current conditions
Maintenance facilities
Scenario 1: GMP Continues

Capital Programs/State of Good Repair
• Resume MetroRail
• 2015 of-way acquisition by engineering, and right-
  • Scenario 2: GMP Ends
  • Scenario 1: GMP Continues
  • Construction by 2018 to 2020
  • Resume MetroRail

2024 of-way acquisition by engineering, and right-
• Scenario 2: GMP Ends
• Scenario 1: GMP Continues
• Construction by 2018 to 2020
• Resume MetroRail
Issuance of bonds subject to voter approval

• Major projects by 2015
• Matching grants on additional capacity for bond funding by 2015
• No capacity for 2027
• Available by 2025 to 2027
• Bonding capacity Scenario 1: CMP continues
• Bonding capacity Scenario 2: CMP ends

Financial Capacity
Voters decide the future of CMP.

- Board calls election
- Board approves ballot language
- Board considers proposed ballot language
- Board gathers public input

Next Steps: