

# 2019 City of Houston Investors Conference

## METROPOLITAN TRANSIT AUTHORITY Of HARRIS COUNTY, TEXAS



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**Sr. Vice President & Chief Financial Officer**

# |Disclaimer

**This presentation contains preliminary descriptions of projects in the current draft METRONext regional transit plan as well as possible future financings. Such information is based on various financial estimates, economic forecasts, assumptions and other data, which are subject to change. Additionally, any proposed plan, project or financing conducted by METRO is subject to certain approvals and authorization, including approval by the METRO Board of Directors. As a result, the final approved plan, projects and financings could vary materially.**

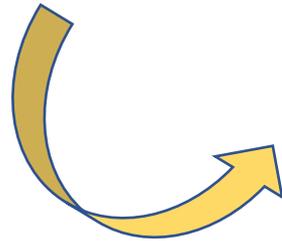
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# | MISSION

***METRO's mission is to provide safe, clean, reliable, accessible, and friendly public transportation services to our region.***

**AN ESSENTIAL PUBLIC SERVICE**

# FUNDING



## FY2019 Budget Sources of Revenue

Sales Tax	754.7
Grants	169.5
Farebox	67.5
Borrowing	97.7
Other	17.5
Fund Balance	256.9

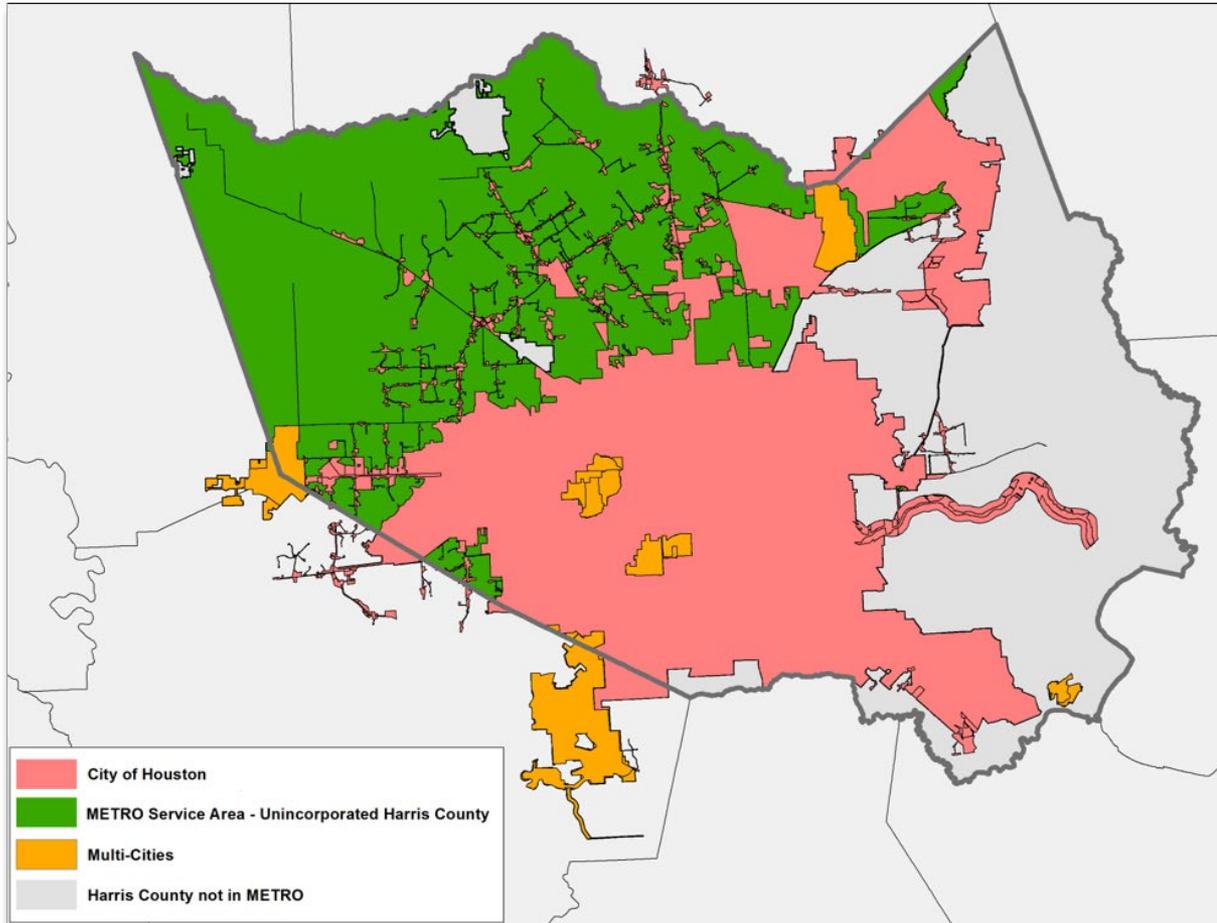
**\$ 1,363.8 (in millions)**

Up to 25% to:

- City of Houston
- Harris County
- Multi-Cities

***“General Mobility Program” –  
\$3.2 Billion Rebated Since Inception***

# SERVICE AREA



## METRO Service Area (1300+ square miles):

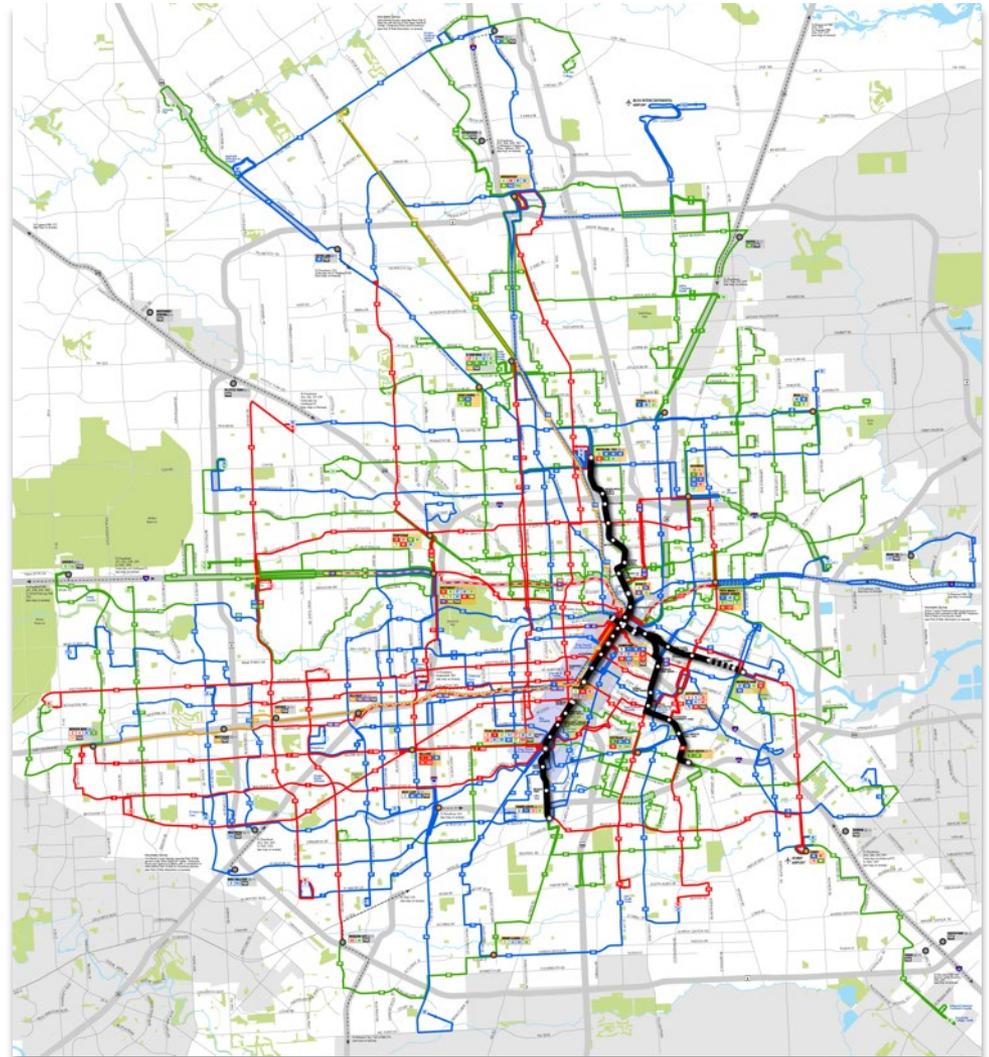
- City of Houston
- Unincorporated Harris County
- "Multi-Cities"  
(smaller cities in service area)
  - Bellaire
  - Bunker Hill Village
  - El Lago
  - Hedwig Village
  - Hilshire Village
  - Humble
  - Hunters Creek
  - Katy
  - Missouri City
  - Piney Point
  - Southside Place
  - Spring Valley
  - Taylor Lake Village
  - West University Place

# SERVICES

- **Local Bus**
  - Fixed Route
  - Community Connector
  - Bellaire Quickline
  - Operates Greenlink/Orangelink
- **Park & Ride/Commuter Services**
- **METRORail**
- **METROLift**
- **HOV/HOT Lanes**
- **METRO STAR Vanpool**
- **Motorist Assistance Program (MAP)**
- **Houston TranStar**
- **METRO Police**
- **Bikes on Buses and Rail**
- **Emergency Management Support and Community Assistance**
- **Major Events and Conventions**

# LOCAL FIXED ROUTE BUS NETWORK

- **“REIMAGINED”** – completely redesigned from scratch – in 2015
- **Frequent service and weekend service significantly expanded**
- **Ridership increasing**

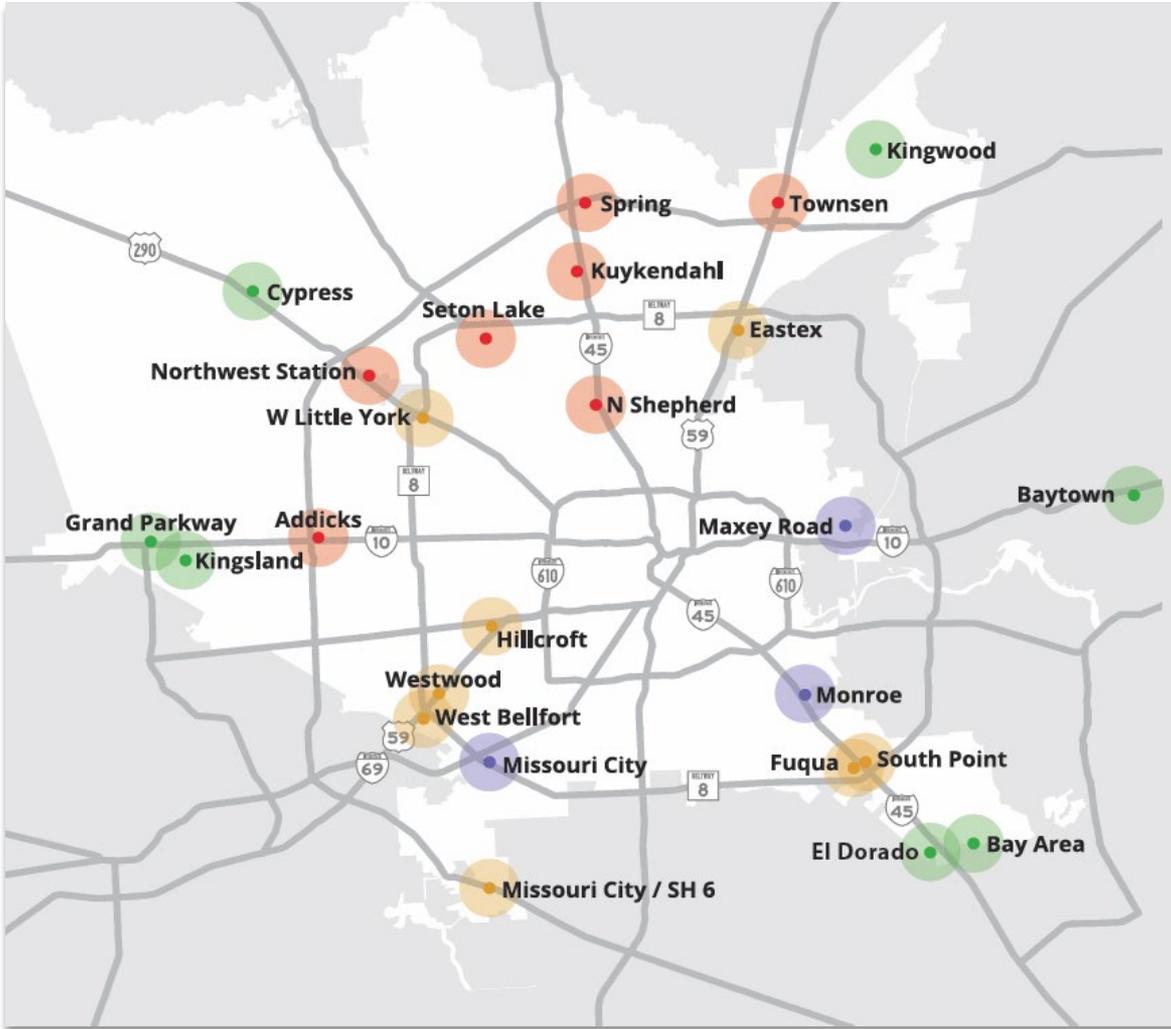


# LOCAL CUSTOMIZED SERVICE COMMUNITY CONNECTOR

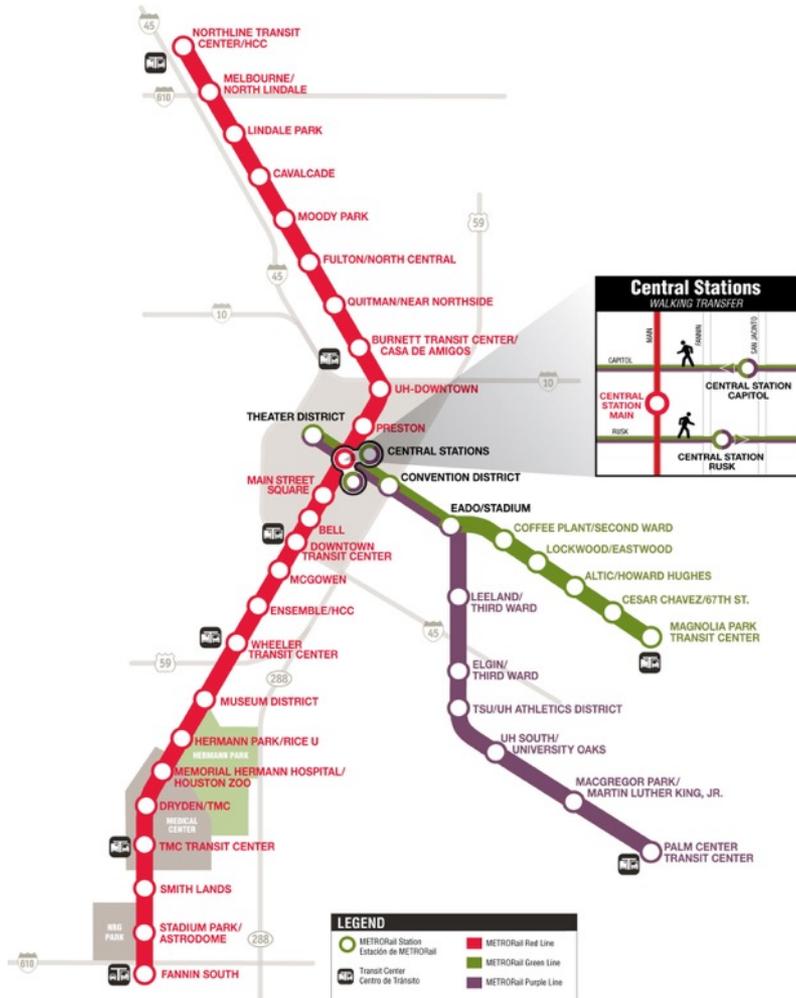


- **Curb-to-curb, dial-a-ride service**
- **Connects neighborhoods where traditional bus service wouldn't work to greater METRO service area**

# PARK & RIDES AND HOV/HOT LANES



# METRO RAIL



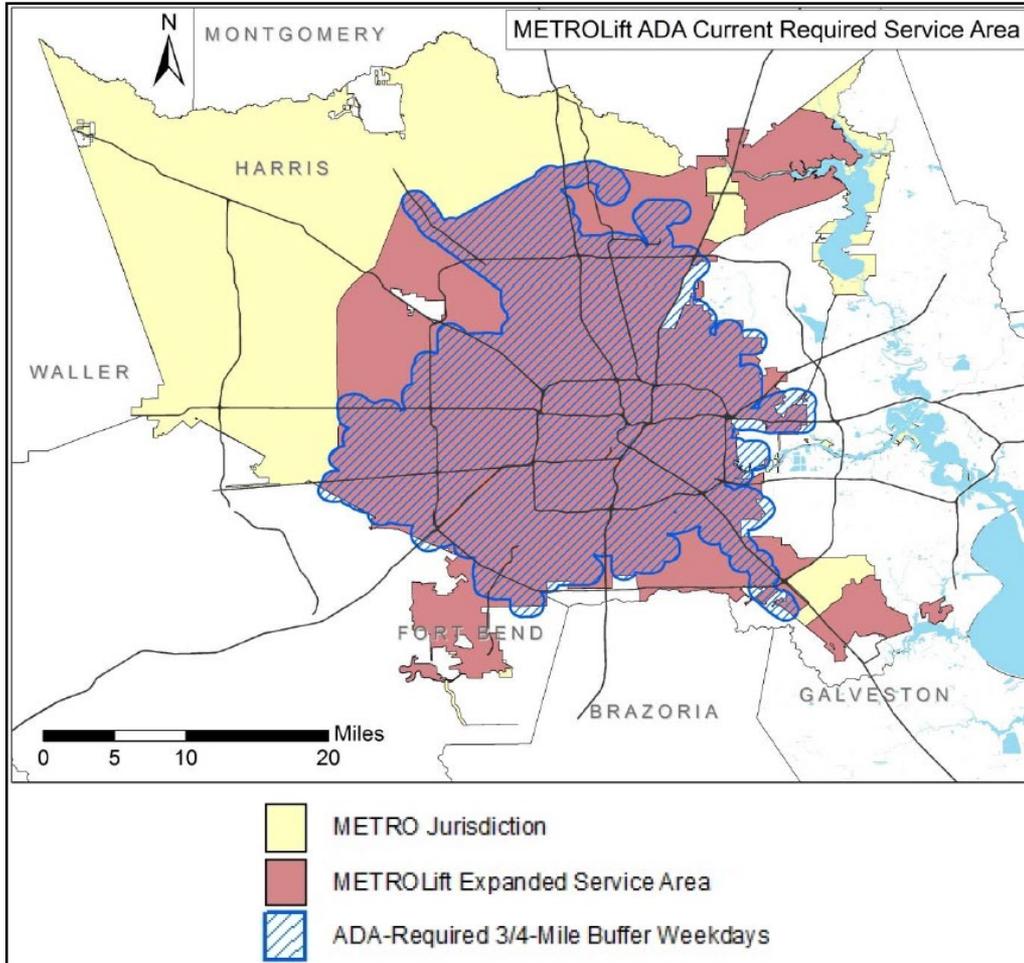
- Red Line is the third most successful rail line in the country (ridership/mile)
- Over \$8 billion in development along the Red Line since it opened
- Green Line ridership up 72% since first full year of operation
- Purple Line ridership up 42% since first full year of operation

# MAJOR EVENTS & EMERGENCIES SERVICES

- Hurricane Harvey: brought 15,000 people to and from shelters
- 700,000 rides for 2017 Super Bowl (680,000 rail)
- 400,000 rides for 2017 Astros World Series Parade (rail and bus)
- 1 million rides for Rodeo annually (rail)
- 20,000 rides to the Bush family services



# METROLIFT SERVICE

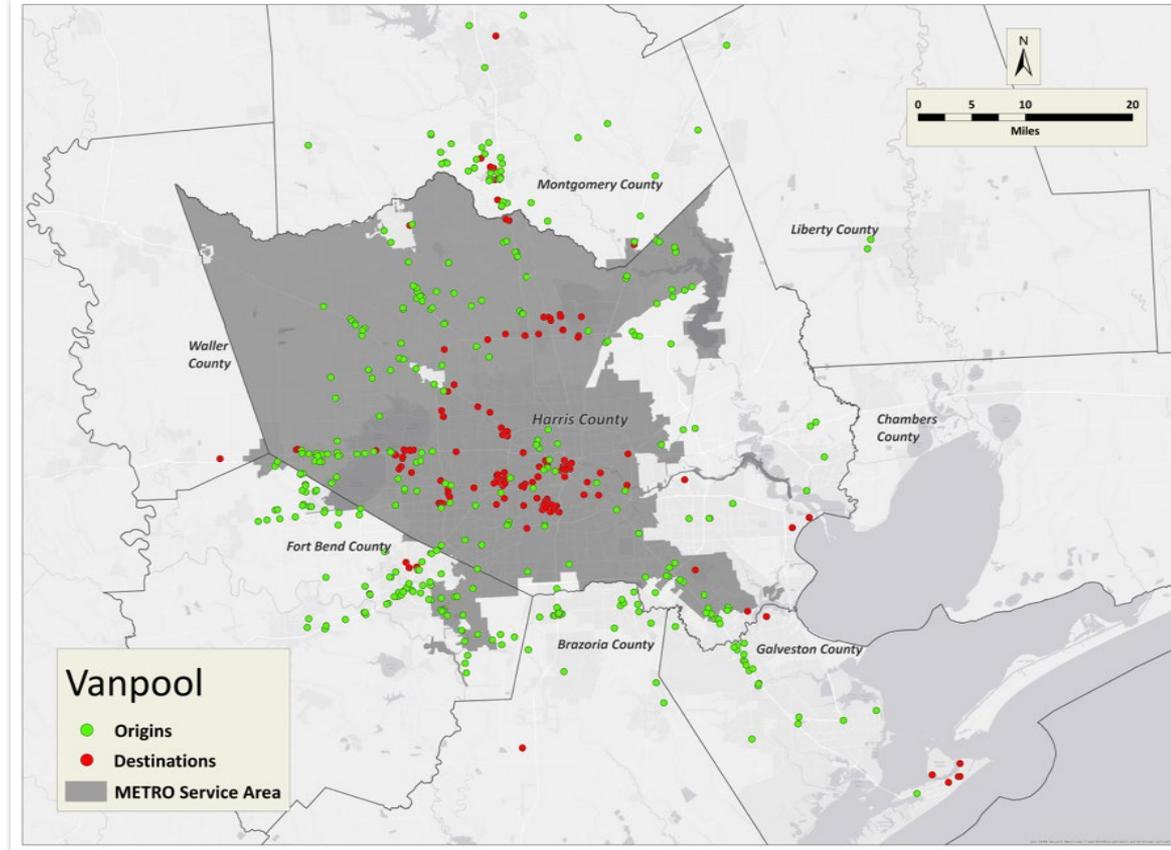


- Paratransit service offered in accordance with the Americans with Disabilities Act
- Most cost-efficient paratransit service in the country among larger cities



# METRO STAR VANPOOL

- 557 vanpools facilitated by METRO
- Ride-sharing to and from work
- Reduces vehicle miles by 50 million in the region
- One of the largest vanpool operations in the country



# | RESULTS

***METRO's was one of only a handful of transit authorities nationwide experiencing an increase in ridership in FY2018.***

AN ESSENTIAL PUBLIC SERVICE

# RIDERSHIP By Mode

## LOCAL BUS ROUTES

59.5 MILLION RIDES

## PARK & RIDE BUS ROUTES

7.7 MILLION RIDES

## LIGHT RAIL

19.0 MILLION RIDES

## METROLIFT (PARATRANSIT)

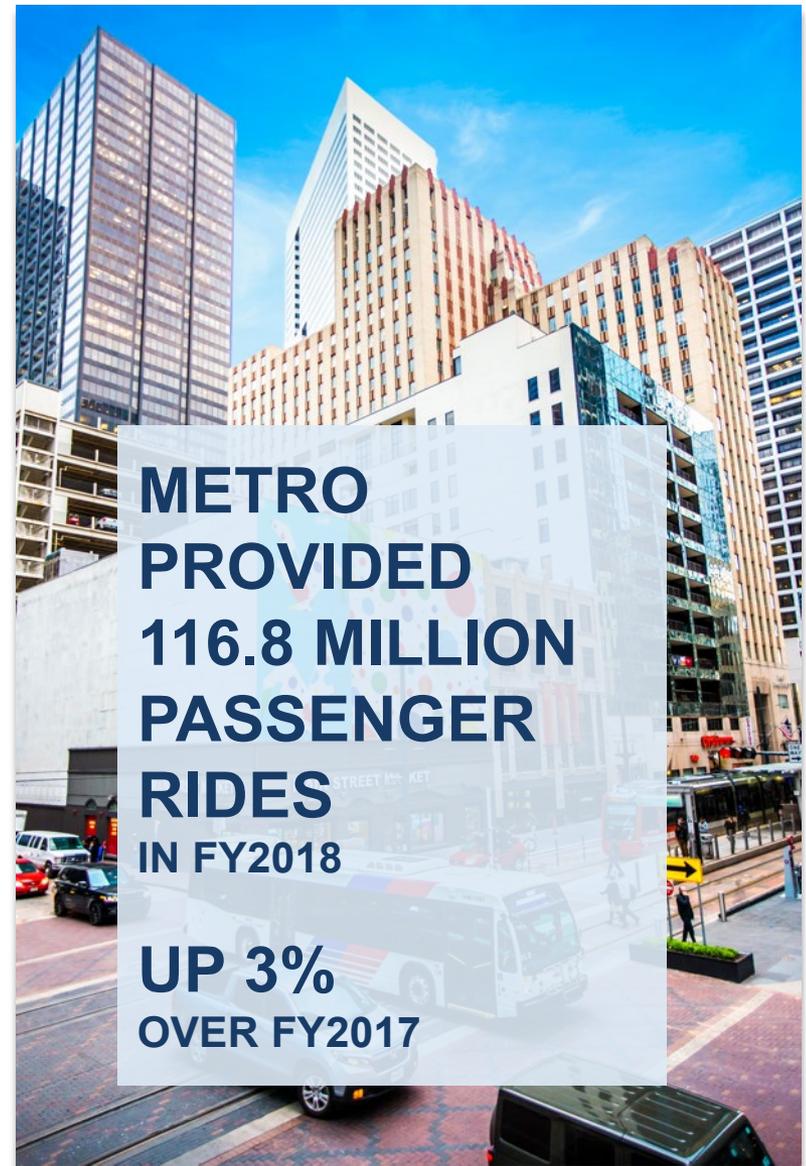
2.0 MILLION RIDES

## METRO STAR (VANPOOL)

1.9 MILLION RIDES

## HOV/HOT LANES

26.5 MILLION USERS OTHER THAN METRO BUS PASSENGERS EACH YEAR



Numbers pending final audit

# TRANSIT

## By Destination (Peak Period)

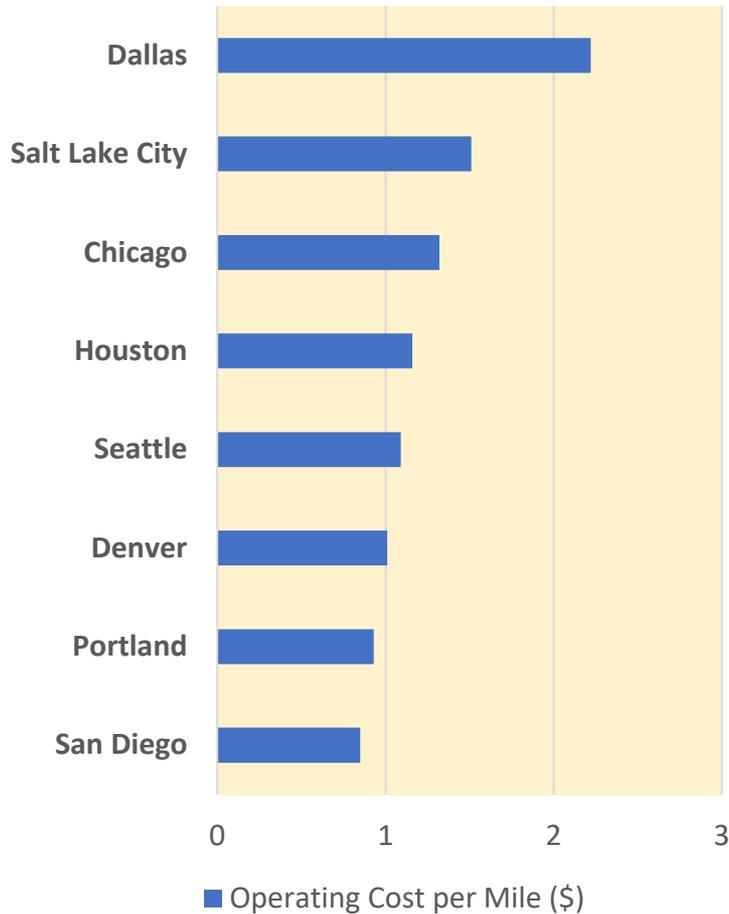
Trips Made From	To	Peak Period Work Trips
METRO Service Area	Downtown Core	37.0%
METRO Service Area	Galleria	7.0%
METRO Service Area	TMC	28.0%
METRO Service Area	METRO Service Area	9.7%

Source: METRO's Long Range Travel Model, calibrated to 2017 ridership data.

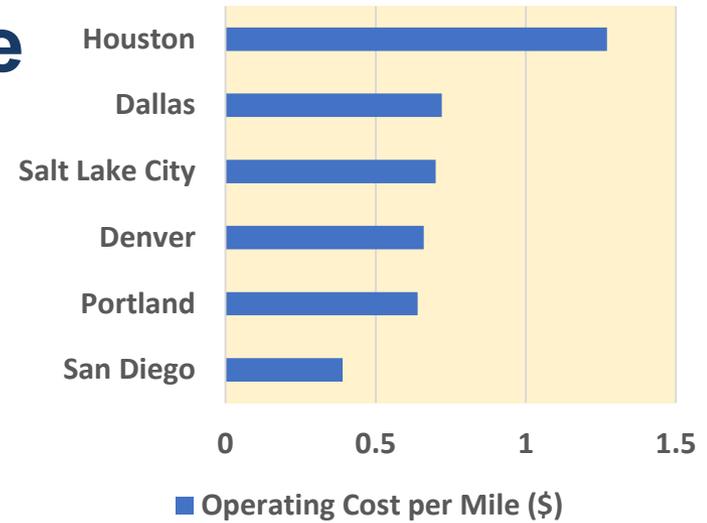
# EFFICIENCY

## Operating Costs per Mile

### Local Bus



### Light Rail



### METROLift



# METRO FINANCIAL ACHIEVEMENTS



**Aa2 Rating**

**STANDARD  
& POOR'S**

The McGraw-Hill Companies

**AAA Rating**



*"By providing meaningful financial data, in addition to visual tools and analysis of its revenues and expenditures, the Metropolitan Transit Authority of Harris County has shown a true commitment to Texas taxpayers."*

**Texas Comptroller Glenn Hegar**

**TexPIRG**

METRO Receives 'A'  
for  
Spending  
Transparency



Texas Comptroller  
Leadership Circle

METRO recognized for  
sound financial  
practices, openness,  
and transparency



Excellence in Financial  
Reporting

# INVESTMENTS

## In-fill Around Rail

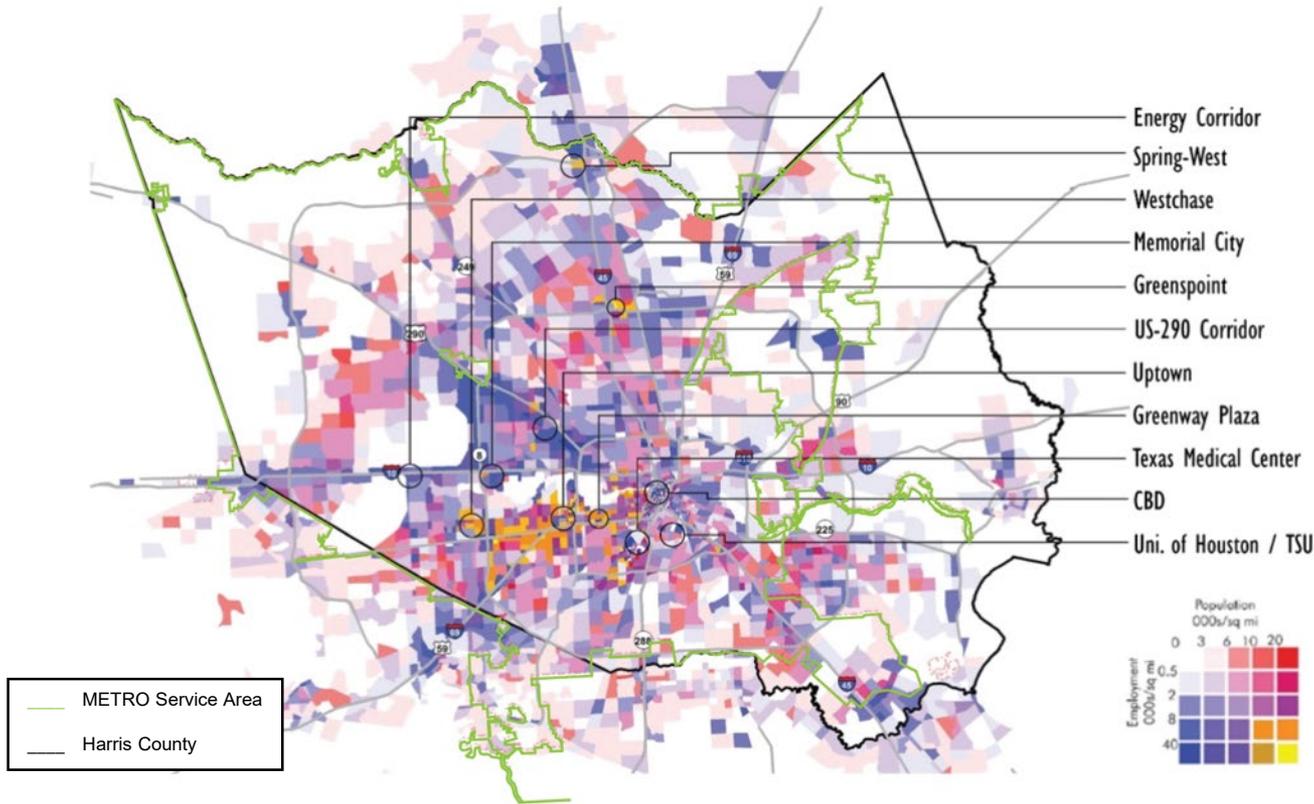


# |THE FUTURE

*The region served by METRO,  
Houston/Harris County,  
continues to be one of the  
fastest growing regions in the country.*

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# HIGH GROWTH WHAT DOES IT MEAN?



**2015 – 2040  
Activity  
Density**

**INCREASED DENSITIES WITHIN THE URBAN CORE AND HIGH GROWTH AREAS IN THE NORTH, WEST AND SOUTHWEST**

# 2040 HOUSTON REGION FORECAST



will pass



as the  
**3rd largest**  
city in U.S



**9.6 million**  
people  
in region



**↑ 50%**  
population  
in METRO  
service area



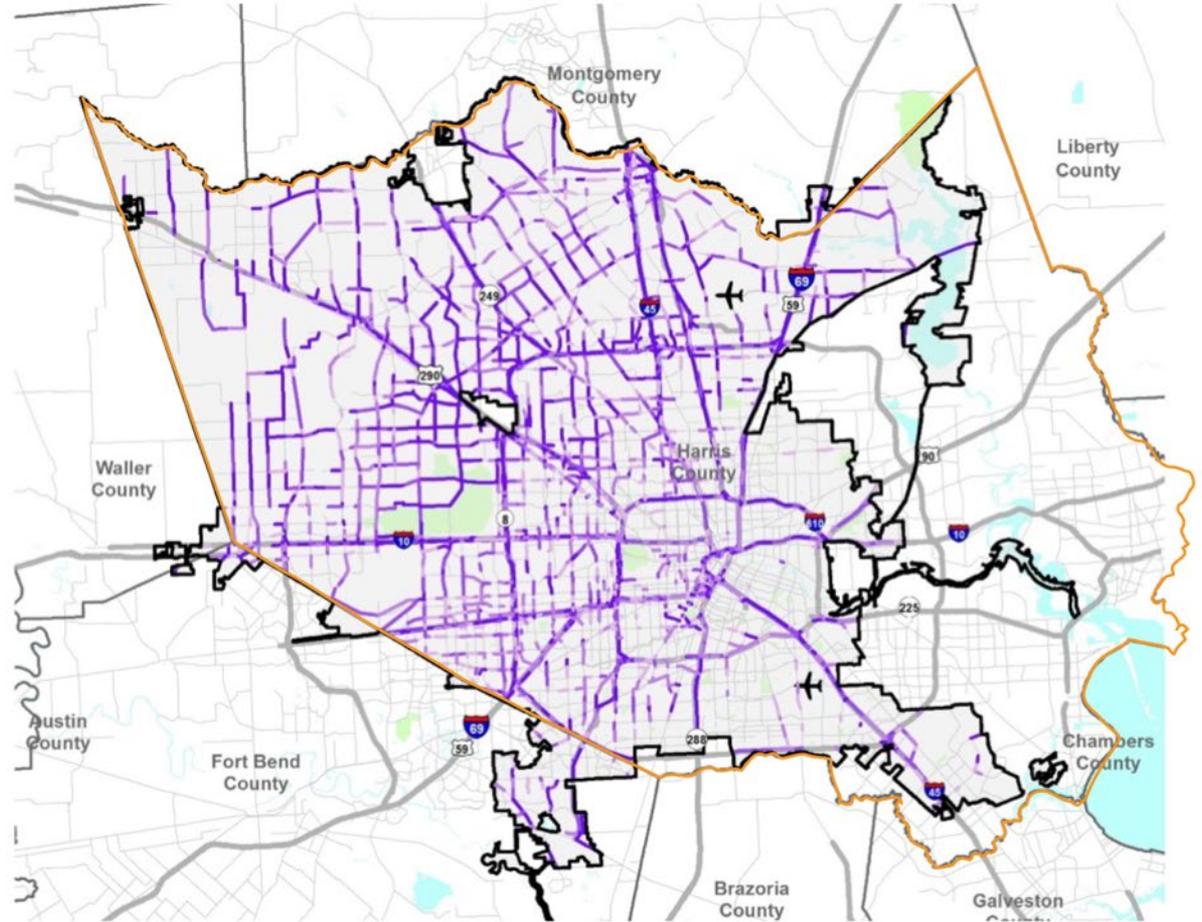
**4.2 million**  
jobs  
in region

*Source: H-GAC Population and  
Employment Forecasts, 2016*

# WHAT ABOUT TRAVEL?

- ▭ Metro Service Area
- 2040 AM Congestion (based on V/C ratio)
- Slow Down
- Congested
- Very Congested
- Extremely Congested
- Harris County

## EXISTING AND FUTURE CONGESTION ON ROADWAY NETWORK



Source: H-GAC Travel Demand Model

# | OUR PLANS

## *METRONext*

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# KEY FINANCIAL ASSUMPTIONS

- No increase in sales tax rate (remains 8.25%) and no property tax increase
- Net Sales Tax Revenues available to METRO are based on the annual growth rates (FY2019 – FY2040 and beyond) formulated by Dr. Robert W. Gilmer, University of Houston – C.T. Bauer College of Business as of June 2018
- General Mobility Program continues through 2040 and beyond
- Bus and Light Rail infrastructure projects are financed using 50% debt/50% grant funds
- Bus system enhancements and optimization projects are financed using debt and local funds
- Forecasted expenditures include operating and maintenance costs for all METRONext projects
- METRO's Board approved cash reserve requirements (25% of operating expenses plus \$10MM) are met

# METRONEXT MOVING FORWARD PLAN

## LRT Extensions

- Green Line to Hobby Airport
- Purple Line to Hobby Airport
- Red Line to N. Shepherd
- Green/Purple Lines to Courthouse

## BRT System

- IH 45 North to IAH & Greenspoint
- Inner Katy Corridor to NWTC / HSR / Uptown
- University Corridor to Westchase & Tidwell
- Uptown BRT Extension to Gulfton
- Gessner Corridor

## Regional Express Network

- US 90A Two-Way HOV
- IH 10 West Two-Way HOV
- IH 45 North Two-Way HOV
- IH 69/US 59 Two-Way HOV (Edloe to Downtown)
- SH 249 Corridor & Facilities to Boudreaux
- 4 Off-Peak Direction Diamond Lane Corridors

## BOOST & Signature Service

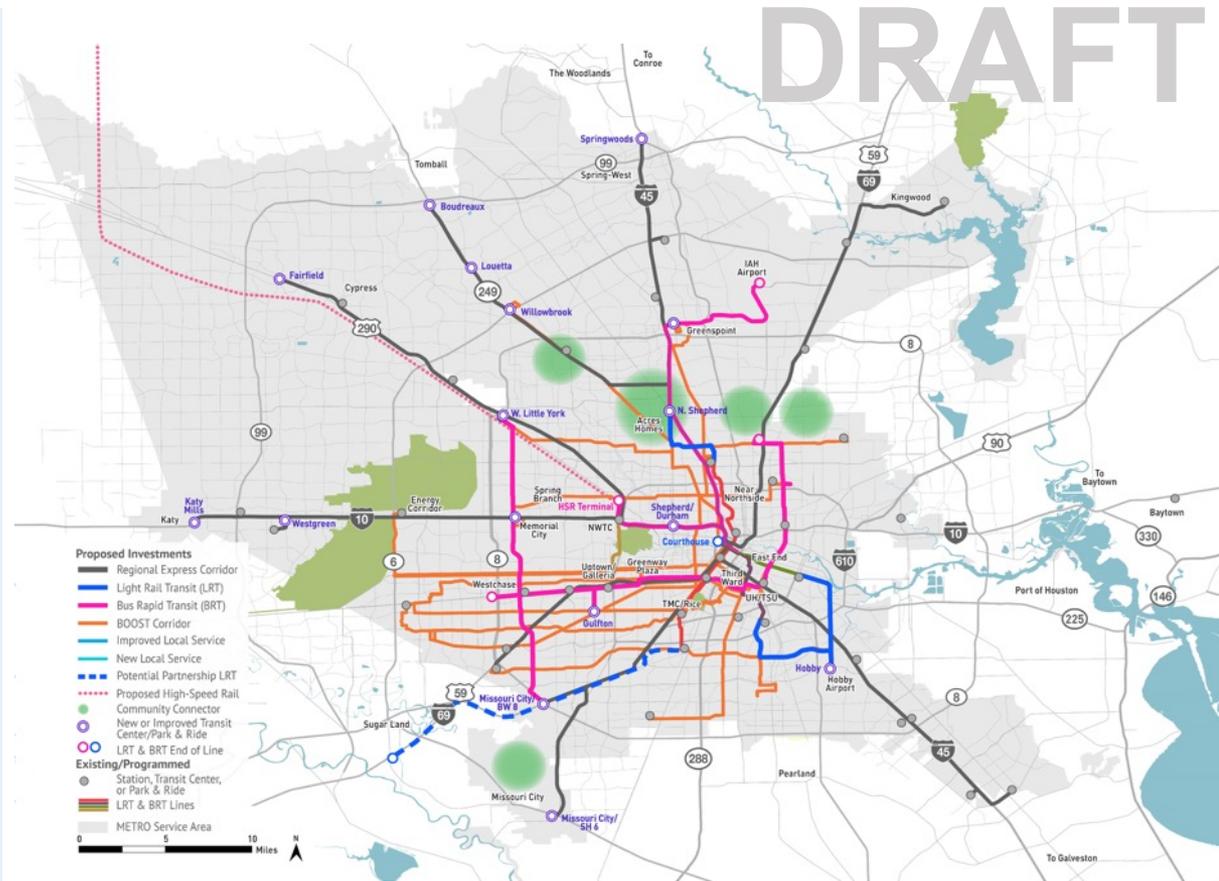
- 14 Corridors
- Westheimer Signature Bus Service

## System Enhancements

- Systemwide route improvements including 3 new Community Connectors
- Downtown, Midtown & TMC transit improvements
- First / Last Mile
- Universal Accessibility

## Facilities

- 7 New / Improved Transit Centers
- 8 New / Improved Park & Rides



\$7.0 Billion in Construction Costs

\$3.5 Billion in Borrowing spread over 20 years

# METRONEXT

## MOVING FORWARD PLAN INVESTMENTS

### Major Investments:

110 mi		Regional Express Network	15		New or Improved Park & Rides, Transit Centers
20 mi		Extended LRT lines	3		Community Connectors
75 mi		New BRT system	25%		Increase in Bus Service
260 mi		BOOST & Signature			

### Service & Access Improvements:



**IMPROVED TRANSIT SERVICE ON MAJOR FREEWAYS**



**IMPROVED BUS SERVICE AND BUS STOPS**



**RESILIENCY PLANNING**



**PARTNERSHIP PROJECTS**



**UNIVERSAL ACCESSIBILITY**

*DRAFT 12.11.2018 - For Preliminary Discussion Only*

# METRONEXT MOVING FORWARD PLAN

## 2040 RESULTS



**103%**

increase in  
ridership  
compared to  
current year



**632,000**

passenger trips  
carried on the  
METRO system  
every day



**134,000**

fewer car trips  
on the road each  
day



**1,000,000**

fewer vehicle  
miles traveled  
every day

# | RECENT FINANCINGS

RECENT FINANCINGS	DATE	AMOUNT	TYPE
Series 2017B Sales and Use Tax Refunding Contractual Obligations	Oct. 2017	\$100,950,000	Public
Series 2017C Sales & Use Tax Refunding Contractual Obligations	Dec. 2017	\$25,200,000	Private
Series 2018A Sales & Use Tax Contractual Obligations	Nov. 2018	\$119,030,000	Public

# | PLANNED FINANCING

FUTURE FINANCINGS	DATE	AMOUNT	TYPE
Series 2019A Sales and Use Tax Refunding Contractual Obligations (Build America Bonds)	Sep. 2019	\$82,555,000	Public
Series 2020A Sales and Use Tax Bonds or Notes (METRONext)	TBD	\$TBD	TBD

# | QUESTIONS