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# MINNEAPOLIS STREETCAR FUNDING STUDY

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The *Minneapolis Streetcar Funding Study* was initially completed in February 2009. It was not published at that time due to significant ongoing changes in the economic environment and potential changes in federal funding. The study was recently updated to reflect new federal funding policies and programs. The updated Study consists of three documents:

- **Executive Summary** – this document summarizes the financial analysis as well as current federal funding policies and programs related to streetcars.
- **Final Report** – this document was completed in February 2009 and presents the financial analysis assuming that the City would need to “go it alone” to fund one of several short starter streetcar line alternatives.
- **Federal Funding Update Addendum** – this document describes current changes in federal funding related to streetcars and provides an updated financial analysis assuming 50% federal funding for one of several possible starter streetcar lines.

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# Executive Summary of MINNEAPOLIS STREETCAR FUNDING STUDY

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March 2010



## Background

The *Minneapolis Streetcar Feasibility Study* (Nelson Nygaard & Associates) was completed in conjunction with the Access Minneapolis Ten-Year Transportation Action Plan in December 2007. The feasibility study was undertaken because streetcars offer the benefits of a legible, high amenity transit service without the high costs and large scale of light rail and have been shown in other cities to offer many benefits including:

- Increasing transit ridership by both regular and occasional riders, especially by providing enhanced and attractive local circulation service connecting city neighborhoods with the downtown core
- Increasing attractiveness of transit to new markets by providing a unique vehicle and customer experience
- Improving connections and distribution between high capacity regional transit and local neighborhoods
- Enhancing environment by replacing diesel bus service with clean and quiet electric vehicles
- Catalyzing and organizing development and redevelopment around a transit investment by providing a quality transit line with a sense of permanence

The Streetcar Feasibility Study evaluated fourteen Primary Transit Network (PTN) routes identified in Access Minneapolis as highly productive transit routes. Seven routes were recommended as a long-term streetcar network. The study acknowledged that federal and regional funding for streetcar construction or operation was not available. Therefore, “shortest operable segments” were identified that represented a relatively low-cost short segment which could serve as a building block to an ultimate line or system and be funded with local and/or private funding sources.

The *Streetcar Feasibility Study* was presented to City Council for “receive and file” in January 2008. At that time, the Council directed additional research into local funding options for streetcar, focusing on the “shortest operable segments” identified in the Streetcar Feasibility Study. The City retained HDR Engineering to examine local funding alternatives for streetcars in Minneapolis. The funding study was predicated on the assumption that the likelihood of Federal funds for streetcar projects was remote and that, similar to cities such as Portland and Seattle, Minneapolis might identify a viable first phase project that could be funded 100% out of local resources.

Following an initial review of costs, development potential, tax base and other factors, five segments (ranging up to approximately 1.5 route miles in length and up to \$78 million in capital cost) were identified as the most viable starter line candidates (Figure 1). The financial analysis in the *Streetcar Funding Study* focused initially on these five starter lines.

Figure 1: The 5 “Short” Initial Operating Segments Studied





- **“Hennepin”**: From Groveland Avenue to 5<sup>th</sup> Street S LRT Station
- **“Nicollet”**: From Franklin Avenue to 5<sup>th</sup> Street S LRT Station
- **“Chicago”**: From Franklin Avenue to 5<sup>th</sup> Street S LRT Station
- **“University/Central”**: From 4<sup>th</sup> Street SE to 5<sup>th</sup> Street S LRT Station
- **“Washington”**: From 10<sup>th</sup> Avenue N to 5<sup>th</sup> Street S LRT Station

The financial study started with a list of 26 potential funding sources, and evaluated those that had the most potential for generating the amount of revenue needed to fund a streetcar line if the City had to “go it alone”. The most promising City of Minneapolis based or controlled funding sources for funding these starter lines were identified as follows:

- Increases in parking meter fees and a surcharge on public and commercial parking spaces – it was assumed that half of a 25% increase in parking revenues would be dedicated to streetcar. This equates to approximately a 12.5% increase in parking meter revenues and an annual surcharge of approximately \$50/non-residential parking space.
- City tax abatement related to future development (excluding existing TIF districts) and future increases in property value caused by streetcar presence (city share only) – it was assumed that city property taxes (not county or school district) generated by new development outside existing TIF districts in a streetcar benefit zone would be dedicated to streetcar for a period of ten years. In addition, city property taxes generated by increases in value due to the presence of streetcar would be dedicated to streetcar for a period of ten years.
- Special assessments within a streetcar benefit district – it was assumed that a special assessment of 2.5-5.0 cents per \$100 estimated market value (EMV) would be applied to properties in a streetcar benefit zone (1/4 mile from stops/stations) except residentially zoned properties with less than four units.
- Revenues from fares, bulk user agreements, advertising and naming rights – it was assumed that 15 to 25 % of annual revenues would come from these sources.

Specifically, the *Minneapolis Streetcar Funding Study* shows how a starter streetcar segment in the range of \$65 to \$80 million (the likely minimum capital cost of an effective first short segment) could be funded using combinations of the above identified local funding sources. While particular combinations of these tools were modeled in the funding study, in fact, any combination of them (as well as many of the other 26 potential funding sources) could be used. How funding is ultimately structured is a policy decision that may vary depending on the corridor. While the specific funding sources modeled have promise, they all have implementation challenges and all have competing demand for their use.

In addition to these five starter segments, three longer potential initial streetcar projects were also analyzed:

- **“Combined Hennepin/University/Central”**: From Groveland Avenue to 4<sup>th</sup> Street SE (2.3 route miles and \$106 million capital cost)
- **“Midtown Greenway-Ballasted Track”**: From Southwest LRT to Hiawatha LRT (4.4 route miles and \$87 million capital cost)
- **“Midtown Greenway-Embedded Track”**: From Southwest LRT to Hiawatha LRT (4.4 route miles and \$115 million capital cost)



Since the completion of the draft *Minneapolis Streetcar Funding Study Final Report* (February 2009), the Federal funding environment for streetcar projects has become much more favorable. Potential federal funding sources for streetcar capital projects are shown in Table 1 (page 5). There have been three significant changes that have had a positive impact on federal funding for streetcars:

- Federal policies, as evidenced by the DOT-HUD-EPA Partnership for Sustainable Communities, are placing a much greater emphasis on livable communities and sustainable development. All new and updated funding programs within these agencies are following the livability principles articulated in this partnership. FTA is in the process of updating policy guidance related to the New Starts and Small Starts program which will place a much higher value on criteria related to livability, economic development, environmental, social and congestion relief benefits. Streetcar projects will likely be more competitive for federal funding under these revised criteria. The Small Starts program provides up to \$75 million for capital transit projects costing no more than \$250 million.
- \$130 million in Federal funding for “Urban Circulator” projects was announced in December 2009. These grant applications were for a maximum of \$25 million per project. Streetcar projects are eligible for these funds. FTA will select projects for these grants in late spring of this year. There *may* be another round of discretionary funding for these types of projects later in the current fiscal year.
- Four streetcar projects were recently funded through the Transportation Investment Generating Economic Recovery (TIGER) grant program, under the American Recovery and Reinvestment Act (ARRA). A second round of TIGER funds is anticipated to be available in Fall 2010. Streetcar projects were funded in New Orleans, Dallas, Portland and Tucson.

Given the changing and positive Federal funding stance towards streetcars, the City of Minneapolis earlier this year asked HDR to revisit its funding scenarios for the earlier studied lines - this time assuming that 50% of the initial capital costs could be covered through Federal programs. In March 2010, HDR completed a *Federal Funding Update Addendum* to the original 2009 report.

Table 2 (page 6) shows the annual financial results for the five “short line” starter segments assuming 50% Federal funding.



**Table 1: Federal Capital Funding for Streetcar Projects**

Program	Total Available	\$ Per Project	Key Criteria	Funded Projects	Timeline/Process
TIGER Transportation Investments Generating Economic Recovery	\$1.5 billion in first round,  \$600 million slated for second round	No limitation, but informal statements by USDOT that amounts will be smaller in next round, and that level of local commitment is important	State of Good Repair  Economic Competitiveness (jobs)  Livability  Sustainability  Safety	Portland - \$75m  Tucson - \$63m  New Orleans - \$45m  Dallas - \$23m	Next round will be opened for applications in September  Title of program will change to “National Infrastructure Investment Program”  Criteria likely to remain as before, or similar  Joint USDOT/HUD/EPA review of applications  <u>Process:</u> Application/NEPA/commit to construction by 2/2012
FTA Urban Circulator Grant Program	\$130 million	\$25 million	Livability  Sustainability  Economic Development  Leverage of public and private investment	Applications were submitted February 10 <sup>th</sup>  70 projects submitted, for a total amount of over \$1 billion	Selected projects to be announced in May/June  Unclear if funding will be found to support another round of project awards  <u>Process:</u> Alternatives Analysis/NEPA/FTA review/Commit to begin construction within 18 months/Construction grant
FTA Small Starts	\$200 million in current appropriations	\$75 million  Total project cost: no more than \$250 million	Transportation Cost-Effectiveness  Economic Development  Land Use	None  Portland and Tucson were in the review process, but were shunted to TIGER	Criteria under review, but likely to evolve closer to Urban Circulator criteria, with additional attention to ridership and cost-effectiveness  <u>Process:</u> Alternatives Analysis/NEPA/FTA Review/Project Development Agreement/Design/FTA Review/Construction grant



**Table 2: Short Line Segment Financial Results with 50% Federal Capital Funding**

Segment	Capital Cost	Year	Annual Surplus or (Deficit) in millions Assumes 50% Federal Funding of Capital Cost					
			A. Parking Fees/Surcharges and Streetcar Benefit District Assessment		B. Parking Fees/Surcharges and Tax Abatement		C. Parking Fees/Surcharges Only	
			Low	High	Low	High	Low	High
Hennepin Line	\$70 million	Start of Operations	\$0.5	\$2.7	\$0.7	\$1.9	(\$0.4)	\$0.7
		5 Years after Start	\$1.1	\$3.8	\$4.6	\$5.9	(\$0.2)	\$1.2
Nicollet Line	\$75 million	Start of Operations	\$0.8	\$3.4	\$1.0	\$2.1	(\$0.5)	\$0.6
		5 Years after Start	\$1.6	\$4.8	\$5.9	\$7.3	(\$0.3)	\$1.0
Central and University Line	\$67million	Start of Operations	\$0.5	\$2.5	\$0.8	\$1.9	(\$0.3)	\$0.8
		5 Years after Start	\$1.1	\$3.7	\$4.5	\$5.8	(\$0.1)	\$1.2
Chicago Line	\$78 million	Start of Operations	\$0.7	\$3.2	\$0.9	\$2.1	(\$0.6)	\$0.5
		5 Years after Start	\$1.5	\$4.6	\$5.9	\$7.3	(\$0.4)	\$0.9
Washington Line	\$65 million	Start of Operations	\$0.8	\$3.0	\$0.8	\$2.0	(\$0.3)	\$0.9
		5 Years after Start	\$1.4	\$4.1	\$4.3	\$5.7	(\$0.0)	\$1.3

Notes:

- Tax Abatement: Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence
- Special District: Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of line or stations
- Parking Revenues: Assumes use of 50% of a 25% increase in Downtown parking revenues.

The Update Addendum concludes that for each of the 5 short “starter segments” identified, the City would have a more comfortable range of flexibility in raising the 50% local share, either being able to rely on using fewer local tools and/or assessing lower levies to raise the funds. For example, for any of the five short segments, all located in downtown, the local share could be raised solely by relying on an increase in parking meter fees (about 12.5%) and a parking surcharge (about \$50/space/year) that might be generated on downtown public and commercial (non-residential) parking spaces. Alternatively, various combinations of parking fees/surcharges, tax abatement, and/or assessments in a streetcar benefit zone, could be used. In short, the Federal funding assumption gives the City more flexibility in terms of funding its local matching share.

The longer Hennepin/University/Central line has a plausible chance of breaking even in the opening year, when using the 50% Federal funding scenario (Table 3). The funding sources analyzed are not adequate to fund the construction and operation of the Midtown Greenway line. This line would require additional funding sources or a higher percentage of federal/regional participation. This may also be true for other corridors outside the downtown area, which generates significantly greater potential revenues from the analyzed funding sources than other parts of the city.



**Table 3: Longer Line Segment Financial Results with 50% Federal Capital Funding**

Segment	Capital Cost	Year	Annual Surplus or (Deficit) in millions Assumes 50% Federal Funding of Capital Cost					
			A. Parking Fees/Surcharges and Streetcar Benefit District Assessment		B. Parking Fees/Surcharges and Tax Abatement		C. Parking Fees/Surcharges Only	
			Low	High	Low	High	Low	High
Hennepin to Central/ University	\$106 million	Start of Operations	(\$0.9)	\$1.7	(\$0.8)	\$0.4	(\$2.2)	(\$0.9)
		5 Years after Start	(\$0.3)	\$2.9	\$3.4	\$4.9	(\$2.1)	(\$0.6)
Midtown Greenway- Ballasted	\$87 million	Start of Operations	(\$5.5)	(\$3.8)	(\$5.3)	(\$4.0)	(\$5.9)	(\$4.6)
		5 Years after Start	(\$5.9)	(\$3.9)	(\$3.9)	(\$2.4)	(\$6.4)	(\$5.0)
Midtown Greenway - Embedded	\$115million	Start of Operations	(\$6.2)	(\$4.5)	(\$6.0)	(\$4.8)	(\$6.6)	(\$5.4)
		5 Years after Start	(\$6.6)	(\$4.6)	(\$4.6)	(\$3.2)	(\$7.2)	(\$5.7)

Notes:

- Tax Abatement: Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence
- Special District: Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of line or stations
- Parking Revenues: Assumes use of 50-75% of a 25% increase in Downtown parking revenues for the Hennepin to Central/University line and 100% of a 25% increase in parking revenues within ¼ mile of Midtown Greenway streetcar for the Midtown Greenway line.

**Conclusions:**

- The Federal funding environment for streetcars has turned significantly positive in the past year and it is now reasonable for the City of Minneapolis to factor some level of future Federal funding into its streetcar planning scenarios. The percentage of federal funding available will vary depending on the federal program. Urban circulator grants are limited to \$25 million and Small Starts grants are limited to \$75 million. In general, projects with a higher local share will be more competitive for limited federal funds.
- While there are many possible funding sources, many are not controlled directly by the city, are already dedicated to other programs, or do not generate significant revenues. The most promising city-controlled sources are: (1) increases in parking meter fees and a surcharge on public and private non-residential parking spaces (requires authorizing legislation), (2) tax abatement on new development outside TIF districts and on growth related to streetcar benefit (city share only), and/or (3) an assessment within a streetcar benefit district.
- Any of the 5 “short line” starter segments could be financed and sustained on an ongoing basis with 50% federal funding and using local revenues derived from increased parking meter fees (about 12.5%) and surcharges (about \$50/year) on downtown public and commercial parking spaces. Only those starter lines that intersect downtown are financially feasible using only these funding scenarios.
- A longer line in the \$100 to \$150 million capital cost range also appears financially feasible at the local level (assuming 50% Federal financing) provided it is located in the downtown area where it can be supported by the downtown parking supply and/or tax base. The line should pass through or into downtown to be within walking distance of the properties and/or



parking spaces that would need to be assessed for the local share of funding and to generate the ridership likely to make it attractive for federal funding.

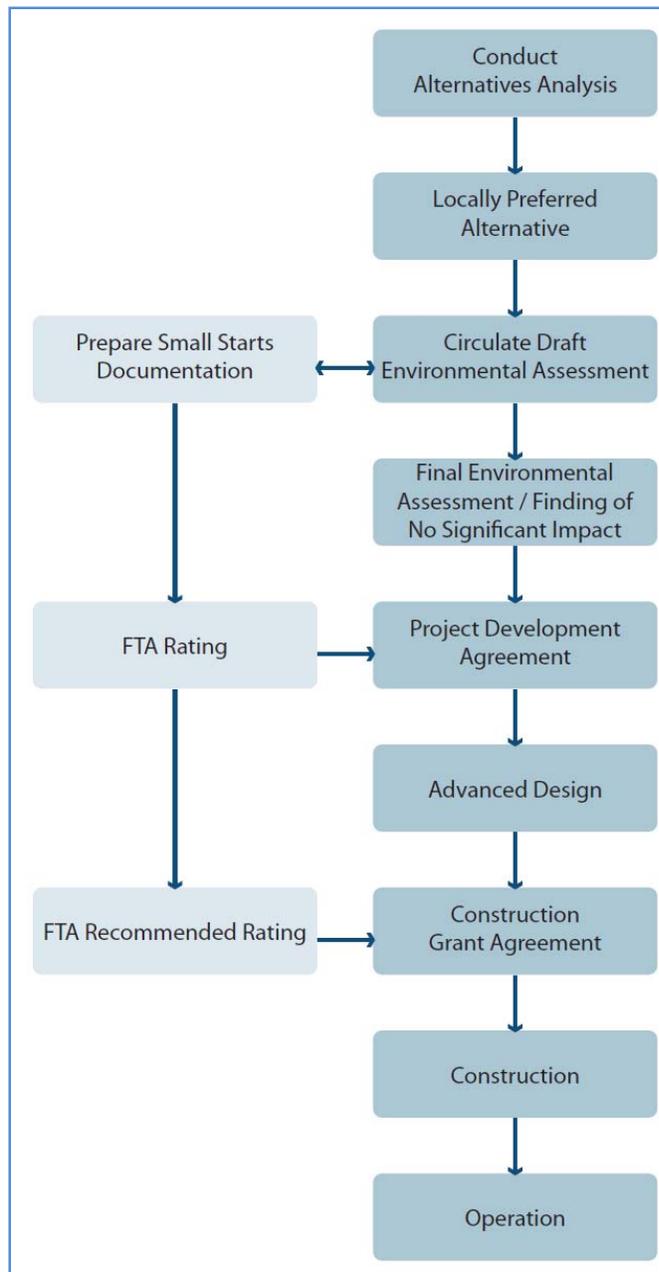
- Funding the Greenway (whether ballasted or embedded track) remains problematic, even with the 50% Federal funding assumption, since the local “benefits based” funding tools, when applied to the Greenway alignment, still fall short of producing the revenues needed to cover the local costs. Additional funding sources and/or higher federal and/or regional participation would be needed to fund this corridor.

### Next Steps:

The City has completed enough work to date to have a reasonable understanding of the engineering and financial challenges, as well as the transportation and economic development potential, of the various line alternatives. If the City is interested in continuing to pursue developing a streetcar system, the first step is to select a corridor or limited set of corridor segments upon which to focus efforts. Then the following activities would be logical next steps:

1. Assemble, and supplement as needed, the technical data required to aid the Council in selecting the corridor priorities for entering into the federal project development process.
2. Work closely with local and regional partners to determine funding and implementation strategies, including incorporation of streetcar as part of the regional transportation policy plan.
3. Initiate outreach to potentially affected businesses, developers and property owners in the downtown area to assess support for streetcar implementation and proposed funding tools.

Figure 2 – FTA Project Development Process





4. Select preferred local funding tool(s), detail how these funding tools would be structured, and pursue the necessary legislative and/or Council actions for utilizing those tools for streetcar implementation.
5. Once the above four steps have been completed, the City and its partner agencies should be in a position to initiate the federal transit project development process (Figure 2) for a priority corridor or limited group of corridor segments – this will require discussions with the FTA and will likely require following the New Starts/Small Starts process including completion of a corridor-level “Alternatives Analysis,” appropriate environmental reviews (most likely an Environmental Assessment), and some degree of preliminary engineering.

Costs for conducting these analyses and preparing these documents vary significantly, but there are some factors in Minneapolis’ case that should moderate the cost, particularly having already completed a thorough feasibility study and financial analysis for multiple streetcar alignments over the past few years. These previous studies provide a good basis for preparing the required documentation. The Federal Transit Administration is also making changes now in its approach to their project development process, which may make the process less complex, and thus less costly. As a result, there may be opportunities to more closely integrate the AA and EA processes.

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# Final Report

## MINNEAPOLIS STREETCAR FUNDING STUDY

PRELIMINARY LOCAL FUNDING SCENARIOS & IDENTIFICATION OF POTENTIAL STARTER LINES

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February 12, 2009



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## Appendices

Appendix A. SUMMARY OF POTENTIAL FUNDING SOURCES

Appendix B. FINANCIAL TABLES FOR INDIVIDUAL SHORT STARTER LINES



## Summary

This report, prepared by HDR Engineering in cooperation with City of Minneapolis staff, examines a small set of financial tools that could enable full local funding of a possible “starter line” in the development of a streetcar system for the City of Minneapolis. It builds on the earlier feasibility work completed by Nelson Nygaard & Associates in 2007 (“*Minneapolis Streetcar Feasibility Study*”) that identified a long-term streetcar system of seven corridors and listed 26 potential sources to consider in the search for funding dollars.

Specifically, this report shows how a starter streetcar segment in the range of \$65 to \$80 million (the likely minimum capital cost of an effective first short segment) could be funded with local funding sources. The components of such a financing plan are detailed below and in Technical Memoranda prepared by HDR under this contract for services. The plan shows how the City could finance a first starter line using city tax abatement funds generated from future growth along the starter line and a surcharge on public and private non-residential parking.

If property owners and businesses along the starter line were to also carry a portion of the funding via a benefit zone assessment and/or if federal, state, regional and/or county funds were available to carry a portion of the costs, then the amount of funding needed from tax abatement or parking surcharges could be decreased or a longer starter line could be constructed.

Based on the analysis in this study, four short starter lines were considered to be financially feasible with the proposed funding strategy. These included:

- Hennepin Avenue from Groveland Avenue to the Metro Transit Hiawatha Line Light-Rail Transit (LRT) station at 5<sup>th</sup> Street/Hennepin
- Nicollet from Franklin to the Metro Transit Hiawatha Line LRT station at 5<sup>th</sup> Street/Nicollet (subject to decision on alignment of SW LRT)
- Chicago/9<sup>th</sup>/10<sup>th</sup> St from Franklin to the Metro Transit Hiawatha Line LRT station at 5<sup>th</sup> Street/Nicollet
- University/Central from the Metro Transit Hiawatha Line LRT station at 5<sup>th</sup> Street/Hennepin to 4<sup>th</sup> Street SE

Other short corridors such as Washington Avenue (10<sup>th</sup> Avenue N. to the Metro Transit Hiawatha Line LRT station at 5<sup>th</sup> Street/Nicollet) or the combined corridor of Hennepin and University/Central from Groveland Avenue to 4<sup>th</sup> Street SE may also be feasible with the proposed funding strategies if a higher percentage of potential parking revenues are used and/or a benefit zone assessment were added to the funding mix. The Midtown Greenway Corridor connecting the SW LRT and Hiawatha LRT lines was also evaluated in this analysis but would require funding from additional sources beyond those identified as most feasible in this study.

The suggested next steps for the City are to, concurrently:

- Begin further design refinement, ridership analysis and financial analysis/implementation planning for at least one, and up to two or three, of the highest-priority starter segments.
- Determine which funding tools the city is willing to use for funding a line.



- Continue the process of identifying which line should be started first by evaluating property owner and developer interest in using the proposed financial tools.

## Background and Purpose

In December 2007, the City of Minneapolis completed a Streetcar Feasibility Study that recommended a long-term streetcar system of seven corridors (see Figure 1). The Feasibility Study estimated the associated capital and operating costs for the various possible routes and identified staging strategies for each of the long-term corridors including a “minimal operable segment” for each corridor. The study also provided a list of possible funding tools for underwriting the costs of the initial lines, including federal, state and local sources. However, that study did not include a financial plan for the construction and operation of a streetcar system.

HDR was retained in March, 2008 to carry the funding analysis to the next level and complete a preliminary project finance plan. HDR was tasked with developing this plan through two stages of work.

### Stage 1:

- Further assess and quantify funding tools, particularly with regard to local funding options that might eliminate the need for dependence on federal funding; and
- Help provide technical guidance to City staff in analyzing which of the 14 original staging options might best serve as a “starter” segment, given that any identified local funding capacity levels would most likely only support a short starter line initially.

Then, following review and action by City staff with regard to the Stage 1 findings and further narrowing of the range of funding tools and starter lines, HDR was directed to proceed with a second phase of this work:

### Stage 2:

- Refine the funding options and strategies for each of the various potential starter lines still under consideration. This work would include verifying the estimates of funding potentially available from each of the potential resources singled out for further study (end of Stage 1), and indicating whether the funding resources are collectively sufficient for covering the capital and operating costs of a starter line or identifying the extent to which a funding gap may remain. Five short lines were identified at the end of Stage 1 for further analysis in Stage 2.
- At the request of City staff, the Stage 2 analysis was expanded to include (1) a combination of the Hennepin (Groveland to LRT) and University/Central (4<sup>th</sup> Street SE to LRT) short starter lines, and (2) the Midtown Greenway.

Each of the two stages was summarized in a technical memorandum describing the findings of the respective stage and process used in reaching those findings. This Report incorporates the content of those earlier technical memoranda.

Figure 1. Long-Range Streetcar Corridors





HDR performed the technical work to complete this analysis while working closely with a technical advisory group of the City of Minneapolis, headed by Charleen Zimmer (Project Manager for the City of Minneapolis). Other members of the technical advisory group included Mark Winkelhake from Finance, Emily Stern from Community Planning and Economic Development (CPED), and Anna Flintoft from Public Works. Extensive data were reviewed, ongoing information exchanges took place throughout the process, and a number of review meetings were held between HDR and City staff to reach the conclusions contained in this report. The City financial staff, with input from HDR, has produced a 25 year cash flow financial model applying the proposed financing tools to an “illustrative” starter segment of the magnitude contemplated.

## Funding Sources

Twenty-six potential financing tools were identified in the 2007 *Minneapolis Streetcar Feasibility Study* including potential federal, state and local sources (see Appendix A). These tools, as well as a few additional ones, were reviewed to determine:

- ***Ease and speed of implementation:*** Can the tool be used for streetcar financing without requiring new State law changes? If laws must be changed, are these amendments likely to be major or minor and how much statewide support might they have?
- ***Ease of administration:*** Are existing mechanisms in place? Can the tool “piggyback” on some form of existing measurement or collection system?
- ***Predictability and reliability of revenue stream:*** Does the tool generate an immediate, steady and easily-forecast revenue stream operating off an existing resource base? Is it dependent on future growth or a base subject to economic cycles?
- ***Order of magnitude of revenue:*** Is the amount of revenue the tool can generate “worth” the energy – politically and administratively – needed to set it up and maintain it over time?

Existing legislation was reviewed in depth for local tools to develop further understanding of the applicability and implications for using specific identified tools for streetcar financing. A preliminary analysis of the political and implementation challenges associated with each tool was undertaken; and an initial quantification of revenue capacity was conducted. Based on this analysis, the following tools were identified as having the most promise for funding streetcar construction, operation, and maintenance in Minneapolis.

## Operating Revenues

Streetcar operating revenues are typically generated by fares and passes, federal formula operating funds, operating cost savings (replacement of existing bus service), bulk user agreements, and advertising. Each of these potential sources is described below.

## Fares and Passes

Most of the starter lines being investigated in this study are located within Metro Transit’s downtown 50-cent fare zone. Therefore, for these corridors, it was assumed that the typical



single fare would be 50 cents per ride. It was also assumed that a portion of riders would use discounted 10 ride coupon books or weekly or monthly passes and another portion would ride free by showing convention passes, ticket stubs or other similar media related to “bulk user” agreements, described below. A farebox revenue mix was structured and assumed for purposes of this study. Based on this farebox mix, an average yield of 20-40 cents per ride from fares and passes was assumed.

Fares outside the downtown fare zone (most notably the Midtown Greenway in this analysis) were assumed to be \$2.25. Thus, the Midtown Greenway alignment was assumed to have higher farebox revenues than the starter lines located in the downtown fare zone.

### Bulk User Agreements

Streetcar access between the Minneapolis Convention Center, various downtown hotels, restaurants and entertainment/sports venues, and shops and businesses could demonstrate a strong marketing benefit for attracting convention business to the Minneapolis Convention Center and provide a convenience to conventioners. Convention authorities in other cities have negotiated deals with their streetcar service providers whereby, in return for guaranteed annual payments to the streetcar operating entity (to help underwrite its costs), the convention center obtains the right to have attendees ride for “free” (e.g. by showing their convention pass or badge). The availability of streetcar is used as a convention marketing promotion, recovering the cost of these bulk user contributions out of the general revenue stream of convention center rentals, exhibitors’ fees, etc. Given the level of paid attendance at the Minneapolis Convention Center (1 million per year average ) and overall annual receipts by the convention authority both from users and the local Convention District sales tax, it may be possible to support an “ask” of up to perhaps \$500,000/yr or 50 cents per attendee. A range of \$0 to \$500,000/yr has been assumed for purposes of this analysis.

Similar approaches could be applied to operators/owners of the Target Center, the new Twins Ballpark, and some of the larger corporate and government entities with major office presence along the various proposed streetcar routes. The same could also apply to institutions of higher education. A range of \$0 to \$200,000/year has been assumed for the entire category of “bulk users” other than the Convention Center, which is treated separately.

### Federal Formula Operating Funds

Additional Federal FTA operating funds could flow to the region and, it is assumed, down to the streetcar operator based on formula allocations. These are generally determined as a function of the number of incremental vehicle hours and miles of operational capacity that the streetcar line adds to the region’s transit overall capacity. Some of these funds could be applied to preventative maintenance and capital replacement activities and are estimated at up to \$100,000/yr based on the estimated number of future vehicle revenue hours. A certain amount of paperwork, intergovernmental effort and advocacy could be required to obtain them – hence a range of \$0 to \$100,000/yr is assumed for this analysis.



## Bus Operating Cost Savings

The *Minneapolis Streetcar Feasibility Study* discussed at some length possible savings in bus operations costs to the transit agency if streetcar carrying capacity could be substituted for buses currently operating along certain routes. However, that report does not assume any reduction in bus operating costs for short “minimal operating segments”. Thus, no operating cost savings are assumed for the downtown starter lines. As longer lines are implemented, buses can be replaced by the streetcar service and significant reductions in bus operating costs are more likely.

It is assumed, based on discussions with Metro Transit, that Route 53 (limited stop service currently operating on Lake Street) could be linked to the Midtown Greenway streetcar line. This would result in an annual operating cost savings of \$420,000, and this has been assumed in the financial analysis for the Midtown Greenway.

## Advertising Revenues

This category refers to routine short-term advertising at streetcar stops and advertising spaces marketed on the outside and inside of vehicles. It does not refer to naming or “sponsorship” rights which are described separately below. Advertising revenue is generated from advertisements for shows and events, local businesses and products, etc. that advertisers can buy on weekly, monthly or quarterly terms. Based on experience in other cities, lines of length and ridership comparable to those under consideration here could be expected to generate annual advertising revenues in the range of \$50,000 to \$200,000/yr. It should be noted, however, that the diversion of advertising revenues to streetcar may compete with the Coordinated Street Furniture program which is funded with revenues from advertising in bus shelters and on benches at bus stops.

## Federal, State, Regional and County Sources

The presence of an operating streetcar in Minneapolis would benefit not just Minneapolis users and immediate business and property owners, but the region at large. Streetcars will make Minneapolis more competitive with cities across the nation for future businesses, employees, residents and visitors. This increases the sustainability not only of Minneapolis but of the entire region. Streetcars will increase the ability of the City and the region to attract and retain the talented professionals who drive much of the “new economy’s” economic activity and wealth creation by creating an urban lifestyle that is attractive to the young “creative class”. By sustaining and increasing the region’s and state’s overall level of economic activity, income and other forms of tax receipts can also increase. In the long term, a streetcar system in Minneapolis will increase connectivity, reinforce a transit culture among choice riders, and provide a major tool for the City and region to more effectively respond to the negative forces of pollution, congestion, global warming, reduced oil supplies and escalating gas prices. In the long run, the streetcar system will replace some local bus service and will become a significant part of transit service on the region’s Primary Transit Network within the city of Minneapolis. Streetcars also provide connections to regional rail and bus services and local circulation.



All of these considerations suggest that the region at large receives indirect benefits and should bear some portion of the investment in the Minneapolis streetcar system, even if many citizens of the larger region never ride the streetcar or own property or a business near a streetcar line. Therefore, it is reasonable to seek some portion of the funding of the investment from regional, state and business resources from beyond the immediate zone of more direct benefit. In this context, the analysis assumes that approximately 15% of the annualized cost of streetcar construction, operation and/or maintenance will come from some mix of federal, state, regional, county and/or regional private contributions. The types of funding sources that might generate these revenues are described below.

### Federal, State, Regional, County Sources

There are currently no easily-obtained sources of federal, state, regional or county funds for streetcar construction, operation or maintenance in Minneapolis. However, it is important to keep the door open to possible future sources of outside funding. While none have been assumed based on the current status of program criteria for eligibility and the levels of funding available, this could evolve quickly in the future due to the potentially dramatic changes in federal funding for infrastructure, in general, and transit, in particular.

### Naming Rights or Corporate Sponsorships

Other streetcar systems have successfully sold sponsorships and naming rights to regionally based corporations and/or obtained grants from corporations and/or non-profit organizations. This analysis assumes annual revenues from these sources of \$200-300,000. This is equivalent to “up front” capital grants and/or naming rights sales in the order of \$3 to \$5 million in total.

### Regional Economic Development Resources

Some streetcar systems have been successful in obtaining grants from federal Economic Development Administration sources, Community Development Block Grant funds, state economic development funds and related programs based on the ability of streetcars to act as a catalyst for high intensity development in urban areas. These are typically up-front grants but have been expressed in annualized terms for purposes of this analysis.

### *Parking Revenues*

On-street metered parking and both public and private off-street parking hold the potential for contributing substantial revenue flows that could be directed to constructing and/or operating the streetcar. There is a sound policy basis for considering the use of these revenues because the land uses supported by this parking inventory will benefit from the streetcar’s presence and, in fact, the parking itself will become more valuable in a streetcar-supported urban district, since the higher-intensity urban environment catalyzed by the presence of the streetcar increases housing density and retail activity. Even if the streetcar carries a large share of local trips, the livelier urban environment generates a large number of trips, some of which will still be by automobile and will require parking. A frequent and convenient streetcar system can further the strategy of “park once and stay all day”, using the streetcar to get from an existing parking space



to other locations. This can increase the demand for, and occupancy of, more remote off-street parking facilities, and the revenues derived from them.

Revenues from on-street parking resources can be increased by increasing the meter rate, increasing the number of meters, and/or changing the meter rate structure. Revenues from off-street parking resources can be increased by increasing the fees (public parking), adding a surcharge or annual fee to existing revenues (public and private for-fee parking), and/or adding a surcharge or annual fee per off-street parking space. All of these options except the surcharge options could be implemented by City Council action without legislative changes. A parking surcharge (whether based on revenue or number of spaces) would require legislative authorization. Parking surcharges are widely used in other states for a variety of transportation projects. However, there is no certainty that this legislation will pass anytime soon or in a form highly supportive of streetcar funding.

For purposes of this analysis, the following assumptions were made:

- Parking meter revenues would be increased by 25% (through any combination of meter rates, rate structures, and/or additional meters)
- A annual surcharge of \$100 would be placed on each off-street non-residential parking space (public and private)
- A minimum of 50% of the revenues generated by parking revenue increases would be dedicated to streetcar with the remaining 50% (or less) left available for expenditures on other transportation programs and projects.

These fees were applied in a downtown district bounded by the freeways (I-94 and I-35W) and the Mississippi River for those starter lines within downtown. This single “downtown district” was assumed for the following reasons: (1) the benefit zones of the individual lines when they enter downtown overlap quite extensively; (2) downtown is a much more complex interaction of activities, transportation systems and other amenities that tend to make the traditional ¼ mile walking radius more “elastic” and thus harder to differentiate benefits created by one line versus another as they come close together; (3) it is assumed that over time many, if not all, of the downtown lines will be built, thus creating overlapping and synergistic benefits; and (4) there is precedent for recognizing the more complex, extended nature of the “downtown” activity complex in the form of the existing Convention Center taxing district. For lines outside of downtown (the Midtown Greenway Line in this analysis), the fees were applied in a benefit zone with an approximately ¼ mile radius around each stop.

## Property-Related Sources

Real estate-related revenues have been a key funding component of other streetcar projects. This is natural in that such revenues are often under the control of city governments, typically the project sponsor for streetcar projects. There is also a strong policy nexus at work here: rail transit projects, especially streetcar projects, have been demonstrated to have positive effect on property values and on development “yield” in terms of pace and density for properties located in the project’s area of influence. This area typically is configured as a node around light rail or heavy rail stops extending out approximately ¼ mile and in a continuous band along streetcar



alignments (due to frequent stop spacing), also extending out about ¼ mile. A now-extensive body of research documents this trend, revealing value premiums based on the impact of transit access on residential and commercial property. Table 1 outlines property value premiums observed in other cities.

Table 1. Rail Transit Premiums Observed in Other Cities

System	Year	Property Type	Property Value Premium	Distance Measured (feet)
Washington Metrorail	1981	Commercial	11.5%	300
San Diego Trolley	1992	Commercial	16.70%	200
Atlanta MARTA	1993	Commercial	13.1%	300
BART	1970	Residential	8.0%	800
Toronto Streetcar	1976	Residential	18.0%	1,750
BART	1979	Residential	5.00%	1,500
Philadelphia-NJ	1986	Residential	7.80%	10,000
San Diego Trolley	1992	All	2.00%	200
Portland MAX	1993	All	10.60%	1,500
Sacramento Light Rail	1995	Residential	6.20%	900
Santa Clara Light Rail	2002	Residential	45.00%	1,320
BART	1991	R-Rental	5.00%	1,320
San Diego Trolley	1992	R-Rental	5.00%	200

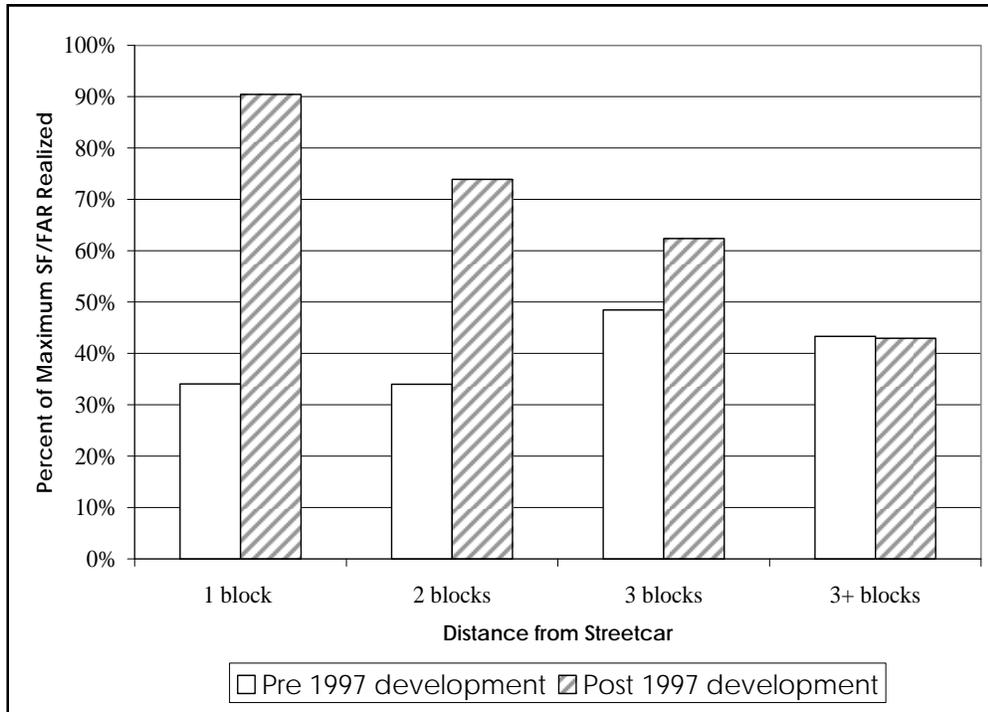
Source: Transit Cooperative Research Program

Similarly, research is now beginning to document what planners have come to call the “streetcar effect,” the tendency of streetcar projects to act as a development catalyst. This catalytic affect has appeared in three ways:

- Greater development intensity (as measured by density or Floor Area Ratio) of projects located closer to the streetcar line;
- Concentration of development market share in this same area; and
- Increased pace of new development in the market area.

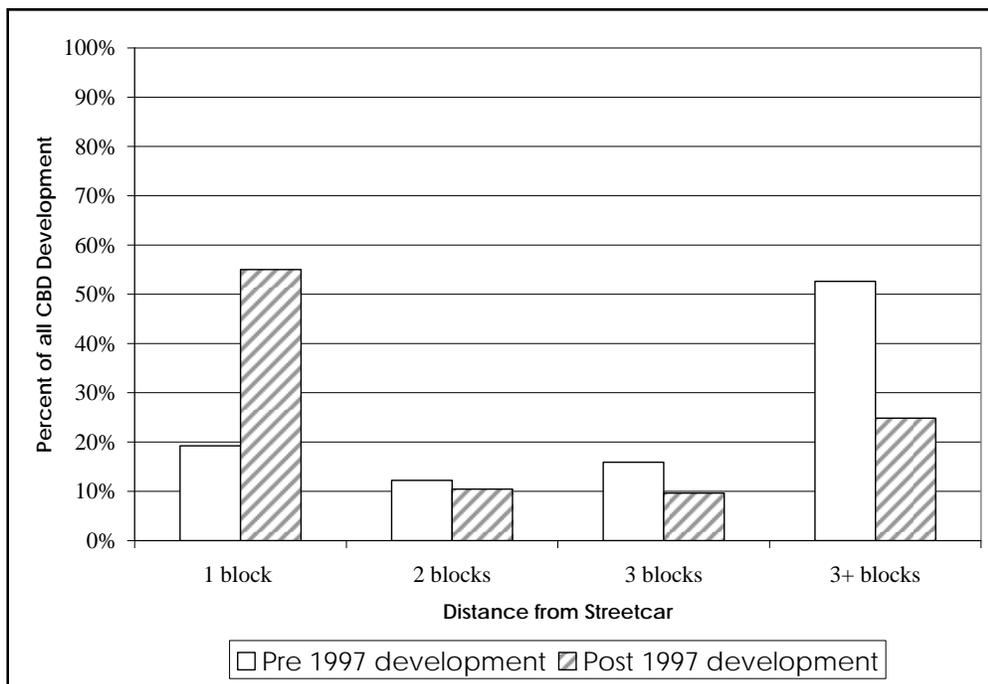
Figures 2 and 3 below, derived from development data along the Portland Streetcar project, are clear demonstrations of these effects.

Figure 2. Development Intensity (as measured by percentage of buildable square footage)



Source: Portland Streetcar, Inc. and E. D. Hovee and Associates

Figure 3. Development Locational Market Share (as measured by new square footage)



Source: Portland Streetcar, Inc. and E. D. Hovee and Associates



These effects are being seen in all streetcar projects opened during the past decade in the U.S., with variations produced by the date of opening, the size of the city and local economic conditions. As a result, the amount of new development “induced” in the associated “streetcar zones” following announcement and construction of the line, is substantial, as shown in Table 2.

Table 2. Redevelopment along Streetcar Alignments in Other Cities

City	Year Opened	New Investment in Project Area
Portland	2001	\$2,800,000,000
Tampa	2003	\$1,100,000,000
Little Rock	2004	\$700,000,000
Tacoma	2003	\$680,000,000
Kenosha	2000	\$175,000,000
Seattle	2007	\$285,000,000

### City Property Tax “Abatement”

Chapter 469.1813 of Minnesota Statutes allows municipalities such as Minneapolis to designate a portion of their existing or future property tax revenues from specific sub-areas to fund infrastructure projects located in those areas and benefiting them. This tool is more powerful than Tax Increment Financing (TIF), which was also investigated, because it gives the City the option of applying a more predictable revenue stream to a project and because it can be applied on a wider geographic basis than is now practicable for TIF approaches in Minnesota. It can be applied to capture a share or all of existing tax revenues from the designated area and/or only future increases, as the City sees fit. This tool is, therefore, highly flexible. Use of this tool would not require State legislative changes but would require Council action. It would not require property owner consent. The policy basis for using tax abatement is that it is well established that the introduction of streetcar service is a strong catalyst for high intensity development. Increased development and increased vibrancy in an urban area typically results in increased property values. Tax abatement is a tool for capturing these increased values as a means of financing the infrastructure that provided the initial catalyst.

Traditionally, it is sound economic practice to design a funding system where those who benefit the most from an economic good contribute the most toward the cost of producing it. This premise undergirds this proposed streetcar funding plan. Streetcar “benefit zones” were identified along each streetcar corridor and defined as property with ¼ mile of the track (a 7-10 minute walk) of each streetcar line. In the case of the Greenway, which has limited access and has greater distance between stops, the ¼ mile radius was measured from each of the stations and not continuously along the line. Businesses or property within the distance defined by the “streetcar benefit zone” will clearly be the principal direct financial beneficiaries of the project. Property values (and hence resulting taxes to the City) will increase within these designated geographic areas. The zone can be viewed as an analytical tool to evaluate the effectiveness of different funding methods that relate directly to different types of revenues generated by those



parties directly using the streetcar or benefiting from the presence of streetcar near their locations.

Property taxes are collected for the City, Hennepin County and the School District. This analysis assumes that only taxes collected for the City would be abated for purposes of streetcar construction. If Hennepin County also agreed to participate relative to its share of property taxes in the designated area, higher revenues could be generated for the streetcar.

Property taxes can be abated for infrastructure construction for a period of up to 20 years if abatement is applied only to the City share or to the City and County shares of taxes. This period is limited to 15 years if all three taxing jurisdictions (City, County and School District) elect to participate. For purposes of this analysis, an abatement period of 20 years was assumed since it was assumed that only City taxes would be abated.

For purposes of this analysis, it was assumed that City taxes would be abated within the ¼ mile “benefit zone” for (1) new development occurring within the first ten years<sup>1</sup>, and (2) increases in property values that are the result of streetcar construction (value above the normally expected value increase over time). It was further assumed that the Estimated Market Value (EMV) as of January 1, 2010 would be established as the zone’s base; so that only increases in new development and in property values after that date would be subject to the abatement calculations. The existing EMV base in the zone (and normal inflationary increases calculated at the long term regional average rate of increase) is excluded from abatement. Property in existing Tax Increment Finance (TIF) Districts is also excluded. Fifty percent of new development is assumed to be in multiple existing TIF Districts, and is also excluded. In the case of the “downtown” lines, the amount of tax abatement revenue due to new development, as opposed to that caused by increases in the value of existing property (over and above general inflation) approximates 56% of the total in Year 1 and increases over time to 64% (by Year 6) as continued new development outpaces the one-time effects of the impact of the “streetcar premium” on existing property values. Similar percentage patterns apply to the Greenway and Hennepin-University-Chicago lines (42-45% in Year 1; 63 to 66% in Year 6).

### Streetcar Benefit Zone (Assessment District)

Under Minnesota law, the City has two approaches available for forming special assessment districts to fund certain capital improvements or extra services in specific geographic sub-areas of the City.

Chapter 428A allows the City to establish special service districts and apply a special assessment (industrial-commercial properties only) for the provision of those services. Use of this model requires approval of 25% of property owners as measured by land area, parcel count and EMV of industrial-commercial properties in the proposed benefit zone. The district can be invalidated if opposed by 35% of ownership based on the same measurements. Legislative changes would be required to include multi-family residential housing in the assessment and would likely be

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<sup>1</sup> The limitation of tax abatement to ten years worth of new development is an assumption set by the City Finance staff. It does not affect the revenue streams shown for Year 1 or Year 6 in the examples shown in this report but does potentially impact the longer term payback assumptions in certain specific bond financing scenarios that may be considered by the City.



required to use these funds for streetcar construction, operation and/or maintenance. The property owner approval thresholds make it likely that using these districts for streetcar would be an uphill battle.

Chapter 429 allows the City to form assessment districts for financing and maintenance of certain types of infrastructure such as streets, pedestrian skyways and concourses, utilities and landscaping. This could prove to be an excellent tool to finance streetcars as a form of transportation improvement but it appears that a minor change in State law wording would be required to ensure that streetcars can be included/defined on the list of eligible types of improvement.

For purposes of this analysis, it was assumed that Chapter 429 would be used as the legal tool for special assessments for streetcars. The assessment would be applied to streetcar “benefit zones”, described above under “tax abatement” and defined as those properties within ¼ mile of each side of the streetcar corridor, with the amount of benefit declining with increased distance from the streetcar line. In the case of corridors such as the Midtown Greenway, where stations are widely spaced, the benefit zone is defined as properties within ¼ mile of each streetcar station. This analysis assumes that benefit zone assessments would not apply to residential properties with fewer than four units, unless zoned for more intensive redevelopment.

For purposes of this analysis, it was assumed that a streetcar benefit zone assessment of 2.5 to 5 cents per \$100 of EMV would be applied to all privately owned properties, except residential with less than four units, in the streetcar benefit zone. This overall assessment rate dedicated to streetcar is substantially lower than that implemented in other streetcar and fixed rail projects in other cities (where the rate can be as high as 25 cents per \$100 EMV) but nonetheless still directly captures, over time, some of the increase in property value in the “streetcar benefit zone” brought on by the presence of the new streetcar investment. Government-owned property (e.g. City, County, State, and Federal) and exempt non-profit uses (e.g. churches, educational institutions) were not included in the assessment calculations but tax-exempt properties could be included through a comparable payment in lieu of taxes.



## Potential Streetcar “Starter” Lines

The *Minneapolis Streetcar Feasibility Study* identified seven long-term streetcar corridors and several staging options for each line. Multiple staging options resulted in 14 different possible starter lines including the entire Midtown Greenway corridor and a corridor that combined the minimal operating segments of the Hennepin (Groveland to LRT) and University/Central (LRT to 4<sup>th</sup> St SE) corridors, which were analyzed conceptually for financial feasibility in Stage 1 (see Figure 4). The Stage 1 analysis included capital and operating cost, ridership, existing development served, existing EMV, and new development potential over the next ten years. This information resulted in a comparison of cost per rider, cost relative to existing EMV, and cost related to new development potential. Based on these comparisons, it was determined that five corridor segments had the most potential as streetcar “starter” lines and these corridor segments were studied further in Stage 2 of the financial analysis.

The five segments with the most promise as streetcar starter lines are shown in Figure 5 and include:

- “**Hennepin**”: From Groveland Avenue to the Metro Transit LRT line at 5<sup>th</sup> St
- “**University/Central**”: From 4<sup>th</sup> St SE to the Metro Transit LRT line at 5<sup>th</sup> St
- “**Nicollet**”: From Franklin Avenue to the Metro Transit LRT line at 5<sup>th</sup> St
- “**Chicago**”: From Franklin Avenue to the Metro Transit LRT line at 5<sup>th</sup> St
- “**Washington**”: from 10<sup>th</sup> Avenue N. to the Metro Transit LRT line at 5<sup>th</sup> St

These five lines emerged as having the most favorable ratings when measured on the following criteria:

### Capital Cost

- Individual line capital cost under \$100 million

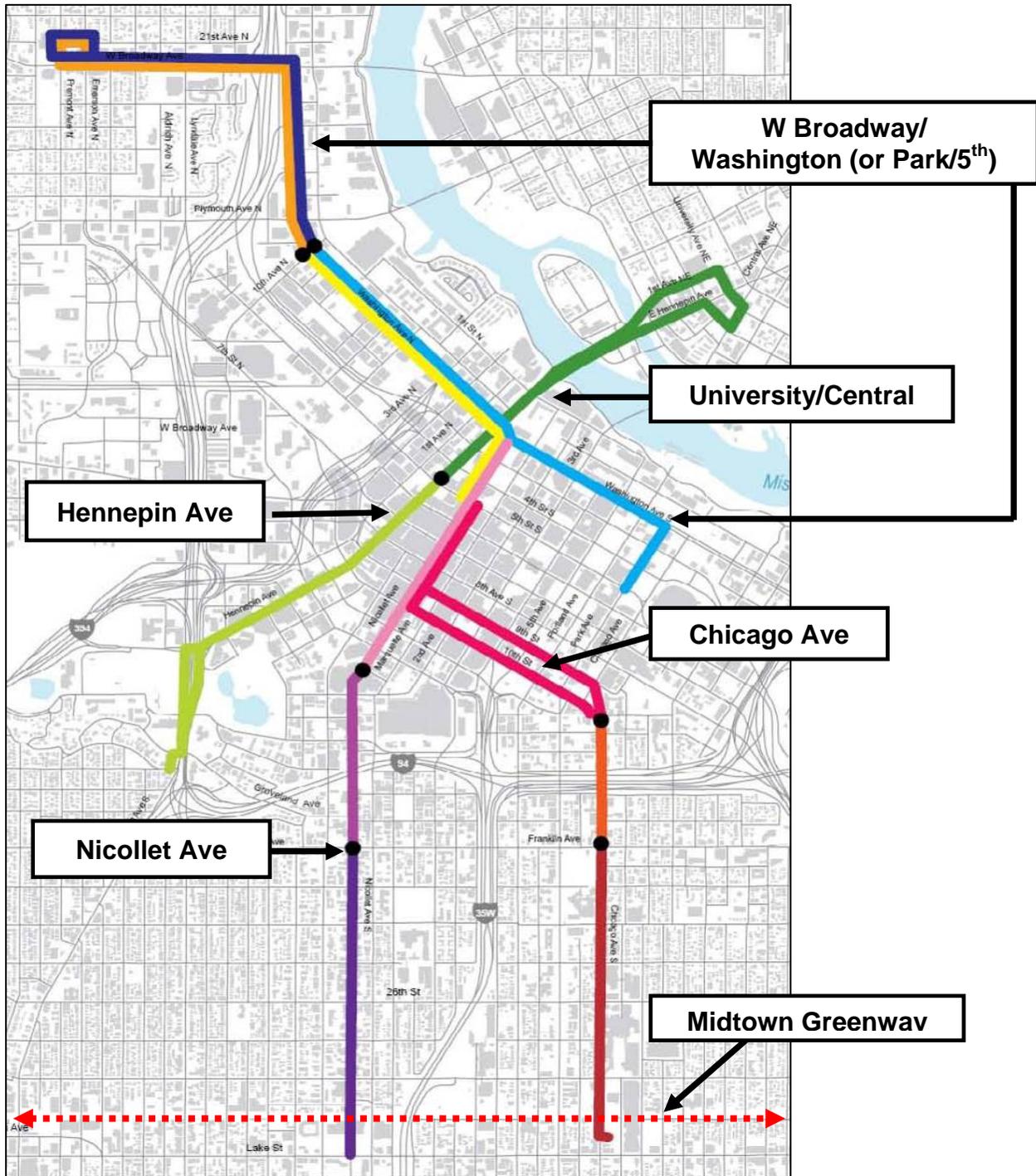
### Functionality

- Significant existing and additional development potential along the line
- For downtown routes, service to at least one near-downtown neighborhood
- Foundation for development of long-range streetcar system
- Near-term physical feasibility
- Proximate access to a maintenance facility

### Cost-effectiveness and Development Catalyst

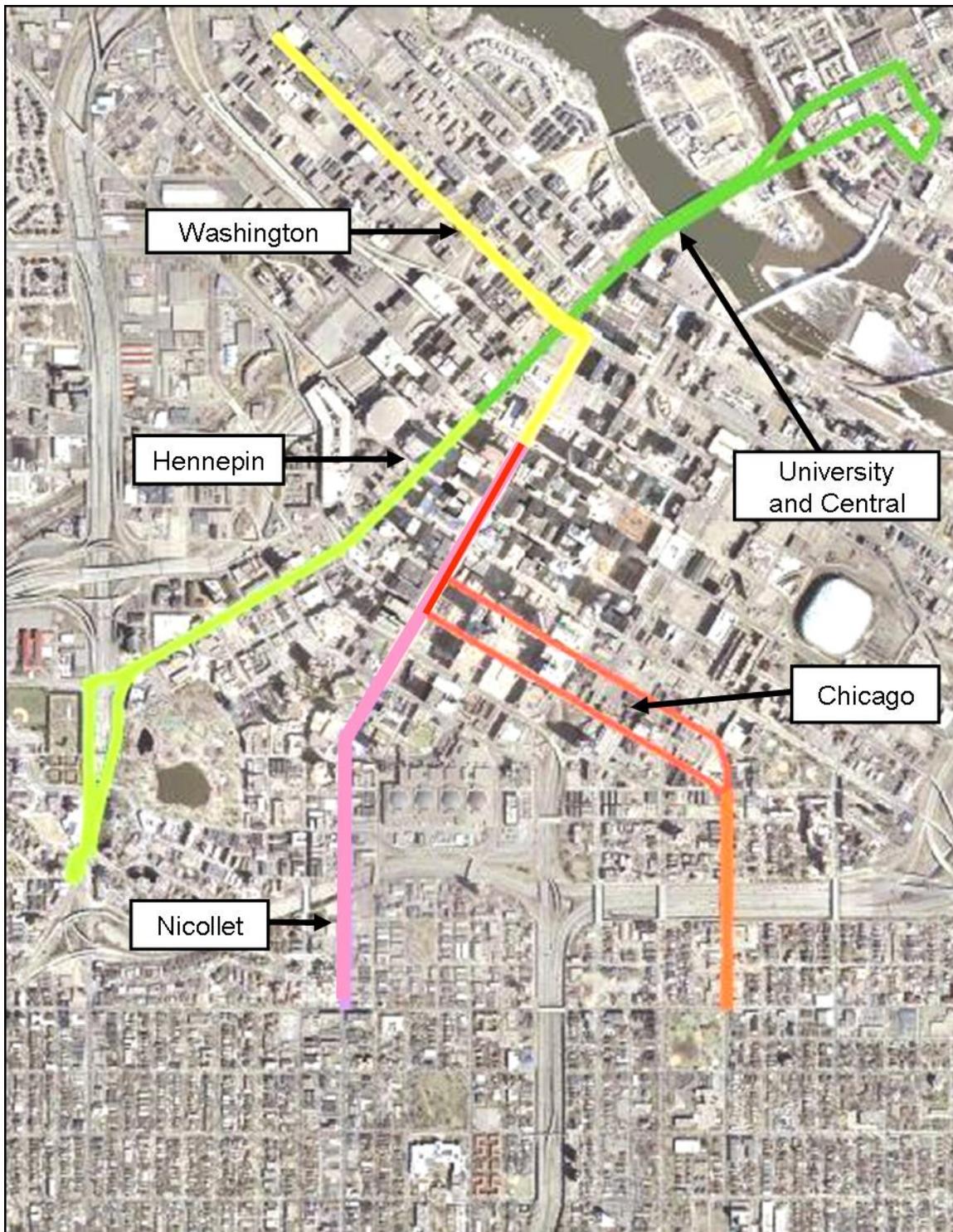
- Cost per rider generated in the short term
- Cost per unit of existing development served (based on EMV)
- Cost per unit of new development capacity “opened up”
- Provision of sufficient long term development capacity (20 years +) relative to potential market demand

Figure 4. The Original Set of Lines from the Minneapolis Streetcar Feasibility Study



Source: Nelson Nygaard Phase IV Report Presentation

Figure 5. The 5 "Short" Initial Operating Segments Studied





At the request of city staff, two additional longer (and consequently more costly) lines were added for more detailed study in Stage 2. These are the Midtown Greenway and a combined Hennepin-University-Central (“HUC”) line.

### *Annualized Cost*

Capital and operating costs developed for the *Minneapolis Streetcar Feasibility Study* were used as the basis for estimating costs in this study. Capital costs in that study were based on 2005 construction costs and included basic construction costs plus unique costs for each line where identified for bridges, vertical stations, etc. One-half mile of non-revenue single track (\$4.9 million) was added to all corridors except the Midtown Greenway (which has a potential adjacent site) and a \$4 million allowance was added for a maintenance facility and associated land costs. The resulting costs were then inflated to a 2012 construction date using a 6%/year weighted inflation rate. The resulting inflation-adjusted capital costs were then converted into an annualized debt service payment to show how much would have to be paid out per year if the capital costs were to be repaid over 25 years at 4.5% interest.

This annualized number represents a reasonable central range as to the average annual debt service for the capital costs to be financed using a variety of long-term (20-25 years) municipal, tax exempt bonds. It presents a consistent annual cash flow sufficient to retire, on an averaged annual basis, the indicated amount of bonds. Actual bond financing proposals can be anticipated to be more complex and nuanced, reflecting how such factors as bond issuance costs, debt service coverage ratios, serialized tranches of bonds becoming due in different years at different interest rates, and offsetting amounts such as capitalized interest are treated in any of the precise financing plans eventually proposed by the City.

Operating costs developed in the *Minneapolis Streetcar Feasibility Study* were used as the basis for this analysis. That study used 2005 costs, which were inflated to a 2012 opening date, using 3%/year. This is a substantially lower rate than used on the capital costs and is reflective of relatively tame inflation since 2000 in labor costs as opposed to the much higher inflation rates experienced for steel, concrete and other construction items. Given the current economic turmoil and dropping construction bid prices since this study began, the construction costs may be somewhat overstated.

Each of the five “short” starter lines is estimated to cost between \$65 and \$78 million (in 2012 dollars) to build and about \$2.1 million per year to operate. Approximately \$6.5 to \$7.4 million per year would be needed to cover the combined annualized capital costs (assuming the full capital cost was borrowed through bonding and repaid over 25 years at 4.5% interest) and ongoing operating costs. Outright capital grants for construction would decrease annualized costs by approximately \$70,000/yr for every \$1 million received up front.



Table 3. Annualized Funding Need - Short Starter Lines

Item	Low	High
Capital: \$65 to \$78 million range		
Annualized (at 4.5% over 25 years)	\$4.4 million	\$5.3 million
Operating	\$2.1 million	\$2.1 million
<b>Total Annualized Funding Need</b>	<b>\$6.5 million</b>	<b>\$7.4 million</b>

The two “longer” lines (Greenway and HUC) would cost between \$87 and \$115 million to build and \$3.2 to \$5.2 million/yr to operate. The Greenway’s total annualized costs would range from \$11.1 to \$13 million/yr (depending on whether a “ballasted track” or more expensive “embedded track” design is selected) and the HUC line would cost \$10.3 million/yr on an annualized basis.

Table 4. Annualized Funding Need - Longer Lines

Line	Low	High
Greenway – Ballasted	\$11.1 million	\$11.9 million
Greenway - Embedded	\$13.0 million	\$13.8 million
Hennepin – University - Central	\$10.3 million	\$10.8 million

### Existing Development Served and Estimated Market Value

Two measures of “existing development served” were calculated for each streetcar line: (1) existing land use measured by acres and building square feet, and (2) existing EMV.

The amount of land area (in square feet and acres) within ¼ mile of each line was determined by geo-coding and sorting individual parcel records in the Hennepin County Assessor’s Database. Those parcels within ¼ mile of the line were sorted by land use and aggregated to get subtotals by land use. Public right-of-way and public uses (such as parks, schools and community facilities) were excluded. The square footage of commercial and industrial buildings was also determined from the Assessor’s Database. Hotel rooms were produced from city records and census data was used to determine population and employment.

Individual parcel records in the Hennepin County Assessor’s Database were also tabulated to determine the total amount of existing Estimated Market Value (EMV) falling within ¼ mile of each streetcar line segment as well as the distribution of this EMV among commercial, industrial and various residential categories.

### New Development Potential

Lists of all building project applications and completions in Minneapolis covering the period 2000-2007 were obtained from CPED. This information was summed for the various streetcar lines by commercial and residential categories and an average annualized rate of build-out was determined within ¼ mile of each side of each line. A 10-year market absorption potential along the line segment was determined by multiplying the average annual rate by 10 and then by



140%. This number reflects a judgment that the past 8 years of development (on average) represent a “boom period” that should be downgraded by 20% to obtain a “base rate” of absorption. In other words, this assumes that the amount of development during the eight year period between 2000 and 2008 was 25% above normal. However, other cities have observed acceleration in the rate of development in the blocks immediately along and near streetcar lines. This “streetcar effect” is expected to increase the rate of development along a line by 50-100% above the long-range normal rate of absorption based on rates observed in other cities. A mid-point “streetcar effect” of 75% was assumed. All of these factors, taken together, result in a combined absorption potential of 140%. For example, if 100 units/year were constructed in 2000-2007, the calculation would be 100 units/year times 80% equals a base rate of 80 units/year times 175% for the “streetcar effect” equals 140 units/year or 140% of the initially observed annualized rate of absorption.

A long-term development capacity was estimated for each streetcar corridor segment. This development capacity was roughly estimated by reviewing the amount of vacant or significantly underdeveloped land in each corridor and estimating these parcels’ approximate build-out potential, based on the surrounding densities. The estimated 10-year potential absorption was compared to the long-range development capacity to determine if capacity was likely to be exceeded in the 10-year period. In all cases, the build-out capacity of any given line appears to exceed by at least three times the 10-year absorption potential, suggesting that there is plenty of capacity for 25 years or more of development along all of the lines, even at accelerating rates.

The EMV of the 10-year absorption potential in each streetcar line segment was estimated by applying recent per building square foot and per housing unit EMV to the projected 10-year development.

### *Comparative Information for Potential Starter Lines*

Figures 6-9 provide the following information for each of five short starter lines and the two longer lines analyzed in Stage 2:

- Route and track miles
- Capital and annualized capital/operating cost
- Employees, population and university students within ¼ mile of streetcar line
- Land area, building square feet and hotel rooms within ¼ mile of streetcar line
- Square feet of new building potential within ¼ mile of streetcar line
- Taxable Assessed Value (EMV) within ¼ mile of streetcar line
- Capital Cost as Percent of Existing EMV
- Capital Cost per Square Foot of New Building

As described earlier in this report, it is considered sound economic practice to design a funding system wherein those who benefit the most from an infrastructure investment are expected to contribute the most toward paying for that investment. This premise undergirds the proposed



streetcar funding plan. Streetcar “benefit zones” were identified along each streetcar corridor and defined as property with ¼ mile of the track (a 7-10 minute walk) of each streetcar line. In the case of the Greenway, which is sunken and has greater distance between stops, the ¼ mile radius was measured from each of the stations and not continuously along the line). Businesses or property within the distance defined by the “streetcar benefit zone” will clearly be the principal direct financial beneficiaries of the project. These zones are shown in Figures 6-9 for each of the streetcar lines studied in Stage 2.

## Funding Scenarios

Four different funding scenarios were developed based on the previously described “most promising” funding sources. Alternative scenarios were considered because regional (federal, state, regional and/or county) funding support is uncertain and there are advantages and disadvantages to several of the local funding sources that were identified. While these sources may be the most promising for achieving the necessary funding for streetcar, several will still require legislative authorization or clarification and all will require Council action. Each of the funding scenarios is described below. A table is provided for each scenario. Each table provides a low and high estimate of revenue that might be generated by that scenario and each provides a revenue picture for the start of operations and for five years after start-up. This is important because tax abatement revenues occur primarily as new development occurs so there is a time delay in the accrual of these revenues. Thus, early years may require a heavier reliance on parking revenues and/or benefit zone assessments while later years may allow a heavier reliance on tax abatement revenues.

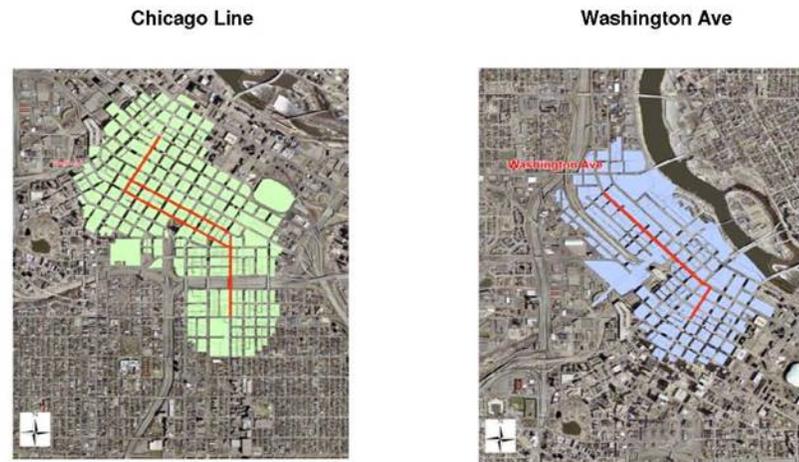
Figure 6. Nicollet, Hennepin and University Central Lines



**Key Characteristics**

Route Miles	1.2	1.2	1.1
Track Miles	2.4	2.6	2.2
Capital Cost:	\$75 Million	\$70 Million	\$67 Million
Annualized Cost:	\$7.2 Million/yr	\$6.9 Million/yr	\$6.6 Million/yr
<b>Within 1/4 Mile Benefit Zone</b>			
Buildings (Square Feet)	59 Million	38 Million	34 Million
Employees	100,000	64,000	60,000
Population	14,849	8,933	5,768
Hotel Rooms	4,853	3,735	2,428
University Students	3,347	16,648	0
New Building Potential (Square Feet)	9 Million	8 Million	8 Million
Taxable Assessed Value in Zone (EMV)	\$4.9 Billion	\$3.4 Billion	\$3.0 Billion
Capital Cost: % of Existing AV (EMV)	1.52%	2.10%	2.24%
Capital Cost: Per Sq Ft New Buildings	\$8.12	\$8.65	\$8.22

Figure 7. Chicago and Washington Lines

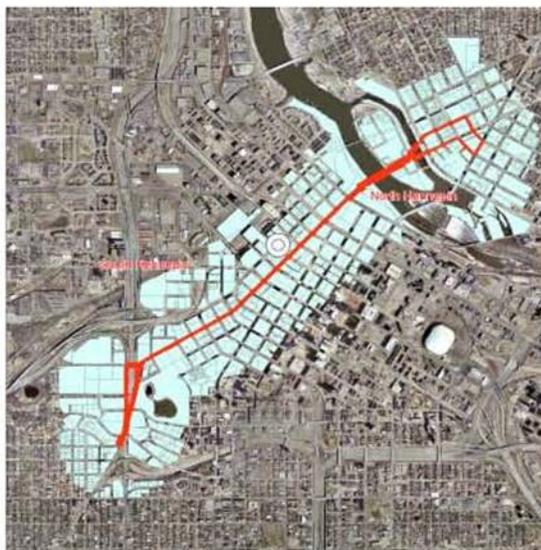


**Key Characteristics**

Route Miles	1.5	1.1
Track Miles	3.1	2.1
Capital Cost:	\$78 Million	\$65 Million
Annualized Cost:	\$7.4 Million/yr	\$6.5 Million/yr
<b><u>Within 1/4 Mile Benefit Zone</u></b>		
Buildings (Square Feet)	56 Million	44 Million
Employees	98,000	78,000
Population	15,117	3,166
Hotel Rooms	4,361	2,535
University Students	1,204	0
New Building Potential (Square Feet)	10 Million	5 Million
Taxable Assessed Value in Zone (EMV)	\$4.8 Billion	\$3.8 Billion
Capital Cost: % of Existing AV (EMV)	1.64%	1.70%
Capital Cost: Per Sq Ft New Buildings	\$7.85	\$12.39

Figure 8. Combined Hennepin/University/Central Line

Hennepin/University/Central



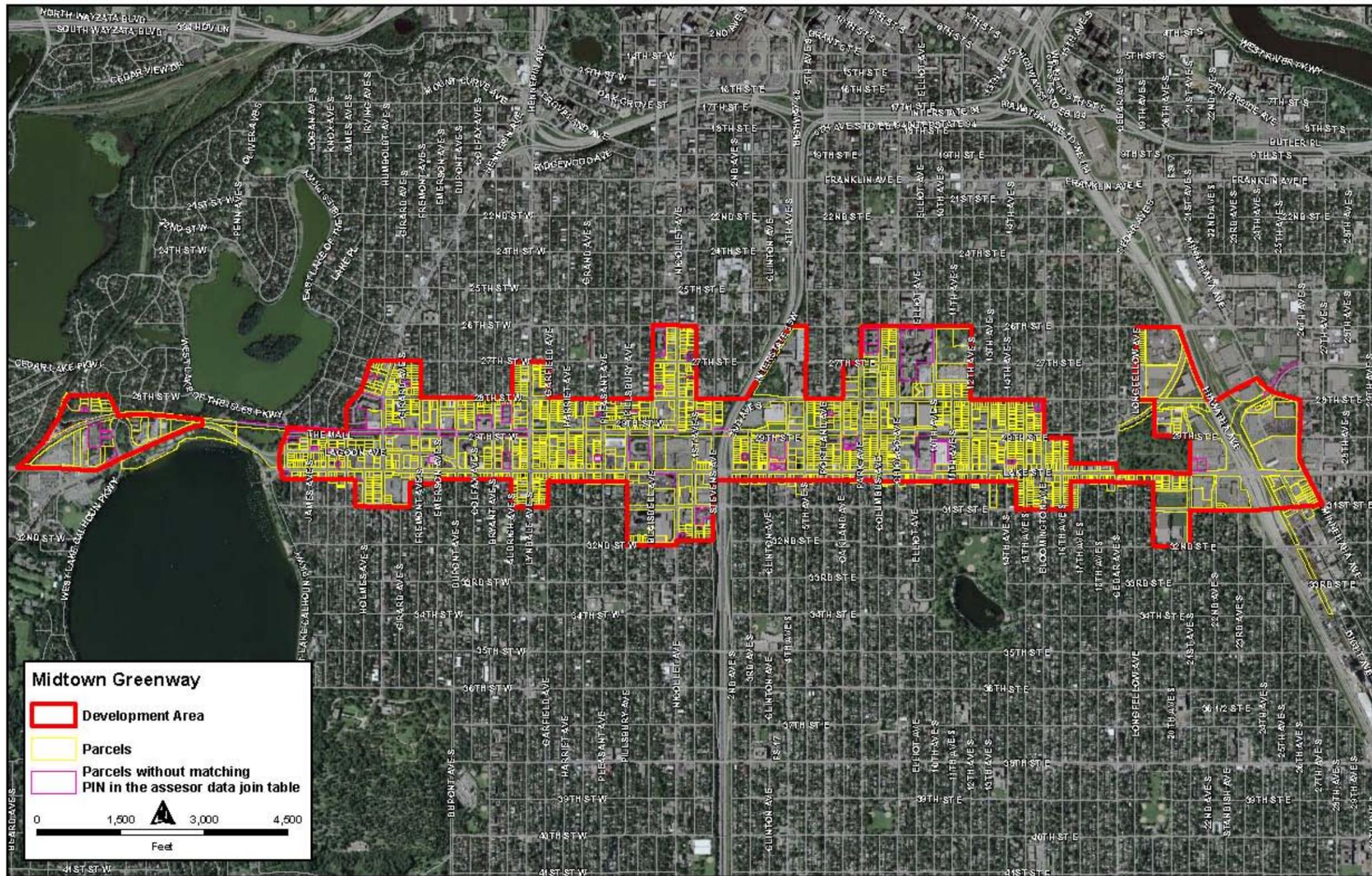
**Key Characteristics**

Route Miles	2.3
Track Miles	4.8
Capital Cost:	\$106 Million
Annualized Cost:	\$10.3 Million/yr

Within 1/4 Mile Benefit Zone

Buildings (Square Feet)	49 Million
Employees	80,000
Population	14,831
Hotel Rooms	3,983
University Students	16,648
New Building Potential (Square Feet)	8 Million
Taxable Assessed Value in Zone (EMV)	\$4.6 Billion
Capital Cost: % of Existing AV (EMV)	2.29%
Capital Cost: Per Sq Ft New Buildings	\$12.57

Figure 9. Midtown Greenway Line



Key Characteristics	Ballasted Line	Embedded Line
Route Miles	4.4	4.4
Track Miles	6.2	6.2
Capital Cost:	\$87 Million	\$115 Million
Annualized Cost:	\$11.1 Million/yr	\$13.0 Million/yr
Buildings Served (Square Feet)	21 Million	21 Million
Employees Served	20,000	20,000
Population Served	11,900	11,900
Hotel Rooms Served	136	136
University Students Served	0	0
New Building Potential (Square Feet)	3 Million	3 Million
Taxable Assessed Value in Zone (EMV)	\$1.5 Billion	\$1.5 Billion
Capital Cost: % of Existing AV (EMV)	5.98%	7.88%
Capital Cost: Per Sq Ft New Buildings	\$25.95	\$34.18



### *Scenario 1: “All Sources” – Five Short Starter Lines*

This scenario, shown in Table 5, is the most optimistic of the scenarios in that it assumes a wide diversity of resources can be accessed to fund the line, thus lessening the need to depend primarily on any one source as to either availability or level of funding. It assumes that revenues would be generated from:

- Operating revenues including farebox and passes, federal formula funds, advertising and bulk user agreements
- 50% of revenues raised from a 25% increase in parking meter revenues and a \$100/year surcharge per space on public and private non-residential off-street parking spaces
- A streetcar benefit zone assessment of 2.5-5 cents/\$100 of EMV
- City tax abatement on 10-years of new development outside TIF Districts
- 15% of cost covered by regional contributions (federal, state, regional, county, private)

Any of the five short starter lines could be funded under this funding scenario.

### *Scenario 2: No Regional Contributions – Five Short Starter Lines*

This scenario, shown in Table 6, has the same assumptions as Scenario 1 except that it assumes that no federal, state, regional, county or private regional contributions would materialize for the first starter line. It would be possible to fund any of the five short starter lines under this scenario but there would likely be an initial annual shortfall of approximately \$1 million which would need to be covered with a larger percentage of parking revenue increases, a 5 cent rather than 2.5 cent/\$100 EMV benefit zone assessment, and/or other sources. It appears that adequate funds would be available from these sources within less than five years.

### *Scenario 3: No Benefit Zone Assessments*

Under Scenario 3, shown in Table 7, the following assumptions were applied:

- Operating revenues including farebox and passes, federal formula funds, advertising and bulk user agreements
- City tax abatement on 10-years of new development outside TIF Districts
- 15% of cost covered by regional contributions (federal, state, regional, county, private)
- Parking revenues ranging from 50% of increased revenues in the “low” option to 75% of increased revenues in the “high option
- No streetcar benefit zone assessments

Any of the five short starter lines could be funded under this scenario if 75% of increased parking revenues were dedicated to streetcar construction. This would be required only in the early years. Within five years, it is anticipated that tax abatement revenues would increase to a



point where only 50% or less of parking revenues would be required to fund the initial streetcar line.

#### *Scenario 4: No Regional Contributions or Benefit Zone Assessments*

Scenario 4, shown in Table 8, is the most conservative and, therefore, perhaps the most realistic of the four alternatives. In this alternative, it is assumed that no federal, state, regional, county and/or regional private contributions would be available for the initial streetcar starter line. In addition, it is assumed that there would be no streetcar benefit zone assessments. Thus, this scenario relies very heavily on parking revenue increases and revenues from city tax abatement on future development. The assumptions for this scenario are:

- Operating revenues including farebox and passes, federal formula funds, advertising and bulk user agreements
- City tax abatement on 10-years of new development outside TIF Districts
- No federal, state, regional and/or county contributions
- No benefit zone assessments
- 75% of increased parking revenues dedicated to streetcar in “low” option and 90% dedicated to streetcar in “high” option

Any of the five short starter lines could be constructed with this funding scenario but there would be about a \$1 million annual shortfall in the early years unless 90% of the increased parking revenues were dedicated to streetcar. This could be decreased to 75% or lower within five years as revenues from city tax abatement increase.

#### *Funding for Combined Hennepin/University/Central Line*

The combined Hennepin/University/Central line is significantly longer than the five short starter lines and, therefore, has an annualized cost that is approximately 50% higher. Table 9 illustrates how this longer line could be funded using the “All Sources” funding option. This funding scenario assumes:

- Operating revenues including farebox and passes, federal formula funds, advertising and bulk user agreements
- City tax abatement on 10-years of new development outside TIF Districts
- 15% federal, state, regional, county and/or private regional contributions
- 2.5 cent (“low” option) to 5 cent (“high” option) streetcar benefit zone assessment within ¼ mile of streetcar line
- Dedication of 50% (“low” option) to 75% (“high” option) of increased parking revenue for streetcar construction, operation and maintenance

The percent of parking revenues dedicated to streetcar or the amount of benefit zone assessment could be decreased over time as tax abatement revenues increase.



Table 5. Funding Scenario 1 - "All Sources"  
 (Applies to any of the 5 "short" IOS - Uses single highest cost example)

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$2,100,000	\$2,100,000	\$2,450,000	\$2,450,000
Annualized Capital Cost and Debt Service	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000
<b>Total Annual Costs</b>	<b>\$7,350,000</b>	<b>\$7,350,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$250,000</b>	<b>\$1,400,000</b>	<b>\$250,000</b>	<b>\$1,550,000</b>
Farebox and Passes <sup>1</sup>	\$200,000	\$400,000	\$200,000	\$450,000
Federal Formula Funds	\$0	\$100,000	\$0	\$100,000
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$50,000	\$200,000
Bulk User Agreements			\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$550,000
Sports Venues	\$0	\$200,000	\$0	\$250,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$2,950,000</b>	<b>\$2,950,000</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>
Parking meter increases	\$350,000	\$350,000	\$450,000	\$450,000
Public parking increases	\$950,000	\$950,000	\$1,100,000	\$1,100,000
Private parking increases	\$1,650,000	\$1,650,000	\$1,950,000	\$1,950,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$1,550,000</b>	<b>\$1,550,000</b>	<b>\$6,350,000</b>	<b>\$6,350,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$1,350,000</b>	<b>\$2,700,000</b>	<b>\$1,850,000</b>	<b>\$3,700,000</b>
<b>Subtotal</b>	<b>\$6,100,000</b>	<b>\$8,600,000</b>	<b>\$11,950,000</b>	<b>\$15,100,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County	\$1,100,000	\$1,100,000	\$1,150,000	\$1,150,000
Corporate and foundation	\$200,000	\$350,000	\$200,000	\$350,000
interests/sponsors				
Economic development resources	\$100,000	\$100,000	\$100,000	\$100,000
<b>Subtotal</b>	<b>\$1,400,000</b>	<b>\$1,550,000</b>	<b>\$1,450,000</b>	<b>\$1,600,000</b>
<b>Total Sources</b>	<b>\$7,500,000</b>	<b>\$10,150,000</b>	<b>\$13,400,000</b>	<b>\$16,700,000</b>
<b>(Gap)/Surplus</b>	<b>\$150,000</b>	<b>\$2,800,000</b>	<b>\$5,700,000</b>	<b>\$9,000,000</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> Only 50% of 25% increase in parking revenue assumed dedicated to streetcar (shown); remaining 50% assumed used for other purposes. A higher percentage could be used to overset funding gaps in early years

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of each side of streetcar corridor



Table 6. Funding Scenario 2 - No Regional Contributions  
 (Applies to any of the 5 "short" IOS - Uses single highest cost example)

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$2,100,000	\$2,100,000	\$2,450,000	\$2,450,000
Annualized Capital Cost and Debt Service	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000
<b>Total Annual Costs</b>	<b>\$7,350,000</b>	<b>\$7,350,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$250,000</b>	<b>\$1,400,000</b>	<b>\$250,000</b>	<b>\$1,550,000</b>
Farebox and Passes <sup>1</sup>	\$200,000	\$400,000	\$200,000	\$450,000
Federal Formula Funds	\$0	\$100,000	\$0	\$100,000
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$50,000	\$200,000
Bulk User Agreements			\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$550,000
Sports Venues	\$0	\$200,000	\$0	\$250,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$2,950,000</b>	<b>\$2,950,000</b>	<b>\$3,500,000</b>	<b>\$3,500,000</b>
Parking meter increases	\$350,000	\$350,000	\$450,000	\$450,000
Public parking increases	\$950,000	\$950,000	\$1,100,000	\$1,100,000
Private parking increases	\$1,650,000	\$1,650,000	\$1,950,000	\$1,950,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$1,550,000</b>	<b>\$1,550,000</b>	<b>\$6,350,000</b>	<b>\$6,350,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$1,350,000</b>	<b>\$2,700,000</b>	<b>\$1,850,000</b>	<b>\$3,700,000</b>
<b>Subtotal</b>	<b>\$6,100,000</b>	<b>\$8,600,000</b>	<b>\$11,950,000</b>	<b>\$15,100,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County	\$0	\$0	\$0	\$0
Corporate and foundation	\$0	\$0	\$0	\$0
interests/sponsors				
Economic development resources	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Sources</b>	<b>\$6,100,000</b>	<b>\$8,600,000</b>	<b>\$11,950,000</b>	<b>\$15,100,000</b>
<b>(Gap)/Surplus</b>	<b>(\$1,250,000)</b>	<b>\$1,250,000</b>	<b>\$4,250,000</b>	<b>\$6,400,000</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> Only 50% of 25% increase in parking revenue assumed dedicated to streetcar (shown); remaining 50% assumed used for other purposes. A higher percentage could be used to overset funding gaps in early years

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of each side of streetcar corridor



Table 7. Funding Scenario 3 - No Benefit Zone Assessments  
 (Applies to any of the 5 "short" IOS - Uses single highest cost example)

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$2,100,000	\$2,100,000	\$2,450,000	\$2,450,000
Annualized Capital Cost and Debt Service	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000
<b>Total Annual Costs</b>	<b>\$7,350,000</b>	<b>\$7,350,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$250,000</b>	<b>\$1,400,000</b>	<b>\$250,000</b>	<b>\$1,550,000</b>
Farebox and Passes <sup>1</sup>	\$200,000	\$400,000	\$200,000	\$450,000
Federal Formula Funds	\$0	\$100,000	\$0	\$100,000
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$50,000	\$200,000
Bulk User Agreements			\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$550,000
Sports Venues	\$0	\$200,000	\$0	\$250,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$2,950,000</b>	<b>\$4,425,000</b>	<b>\$3,500,000</b>	<b>\$4,425,000</b>
Parking meter increases	\$350,000	\$525,000	\$450,000	\$525,000
Public parking increases	\$950,000	\$1,425,000	\$1,100,000	\$1,425,000
Private parking increases	\$1,650,000	\$2,475,000	\$1,950,000	\$2,475,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$1,550,000</b>	<b>\$1,550,000</b>	<b>\$6,350,000</b>	<b>\$6,350,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal</b>	<b>\$4,750,000</b>	<b>\$8,600,000</b>	<b>\$9,100,000</b>	<b>\$12,325,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County Corporate and foundation interests/sponsors	\$1,100,000	\$1,100,000	\$1,150,000	\$1,150,000
Economic development resources	\$200,000	\$350,000	\$200,000	\$350,000
	\$100,000	\$100,000	\$100,000	\$100,000
<b>Subtotal</b>	<b>\$1,400,000</b>	<b>\$1,550,000</b>	<b>\$1,450,000</b>	<b>\$1,600,000</b>
<b>Total Sources</b>	<b>\$6,150,000</b>	<b>\$8,925,000</b>	<b>\$10,550,000</b>	<b>\$13,925,000</b>
<b>(Gap)/Surplus</b>	<b>(\$1,200,000)</b>	<b>\$1,575,000</b>	<b>\$2,800,000</b>	<b>\$6,225,000</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> Only 50% of 25% increase in parking revenue assumed dedicated to streetcar (shown as "low" option in table); remaining 50% assumed used for other purposes. A higher percentage could be used to offset funding gaps in early years (75% shown as "high" option in table)

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of each side of streetcar corridor



Table 8. Funding Scenario 4 - No Benefit Zone Assessments or Regional Contributions  
 (Applies to any of the 5 "short" IOS - Uses single highest cost example)

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$2,100,000	\$2,100,000	\$2,450,000	\$2,450,000
Annualized Capital Cost and Debt Service	\$5,250,000	\$5,250,000	\$5,250,000	\$5,250,000
<b>Total Annual Costs</b>	<b>\$7,350,000</b>	<b>\$7,350,000</b>	<b>\$7,700,000</b>	<b>\$7,700,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$250,000</b>	<b>\$1,400,000</b>	<b>\$250,000</b>	<b>\$1,550,000</b>
Farebox and Passes <sup>1</sup>	\$200,000	\$400,000	\$200,000	\$450,000
Federal Formula Funds	\$0	\$100,000	\$0	\$100,000
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$50,000	\$200,000
Bulk User Agreements			\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$550,000
Sports Venues	\$0	\$200,000	\$0	\$250,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$4,425,000</b>	<b>\$5,975,000</b>	<b>\$4,425,000</b>	<b>\$5,975,000</b>
Parking meter increases	\$450,000	\$665,000	\$450,000	\$665,000
Public parking increases	\$1,100,000	\$1,805,000	\$1,100,000	\$1,805,000
Private parking increases	\$1,950,000	\$3,135,000	\$1,950,000	\$3,135,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$1,550,000</b>	<b>\$1,550,000</b>	<b>\$6,350,000</b>	<b>\$6,350,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Subtotal</b>	<b>\$6,225,000</b>	<b>\$8,925,000</b>	<b>\$11,025,000</b>	<b>\$13,875,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County	\$0	\$0	\$0	\$0
Corporate and foundation	\$0	\$0	\$0	\$0
interests/sponsors	\$0	\$0	\$0	\$0
Economic development resources	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Total Sources</b>	<b>\$6,225,000</b>	<b>\$8,925,000</b>	<b>\$11,025,000</b>	<b>\$13,875,000</b>
<b>(Gap)/Surplus</b>	<b>(\$1,125,000)</b>	<b>\$1,575,000</b>	<b>\$3,325,000</b>	<b>\$6,175,000</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> 75% increase in parking revenue assumed dedicated to streetcar (shown as "low" option in table); remaining 25% assumed used for other purposes. A higher percentage could be used to overset funding gaps in early years (90% shown as "high" option in table)

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of each side of streetcar corridor



Table 9. Standard "All Sources" Funding Option for Combined Hennepin/University/Central Line

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$3,163,000	\$3,163,000	\$3,666,000	\$3,666,000
Annualized Capital Cost and Debt Service	\$7,161,000	\$7,161,000	\$7,161,000	\$7,161,000
<b>Total Annual Costs</b>	<b>\$10,324,000</b>	<b>\$10,324,000</b>	<b>\$10,827,000</b>	<b>\$10,827,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$335,000</b>	<b>\$1,282,000</b>	<b>\$389,000</b>	<b>\$1,486,000</b>
Farebox and Passes <sup>1</sup>	\$285,000	\$282,000	\$331,000	\$327,000
Federal Formula Funds	\$0	\$100,000	\$0	\$116,000
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$58,000	\$232,000
Bulk User Agreements			\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$580,000
Sports Venues	\$0	\$200,000	\$0	\$232,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$3,004,000</b>	<b>\$4,425,000</b>	<b>\$3,483,000</b>	<b>\$7,632,000</b>
Parking meter increases	\$376,000	\$525,000	\$436,000	\$654,000
Public parking increases	\$964,000	\$1,425,000	\$1,118,000	\$1,677,000
Private parking increases	\$1,664,000	\$2,475,000	\$1,929,000	\$5,301,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$1,336,000</b>	<b>\$1,336,000</b>	<b>\$5,487,000</b>	<b>\$5,487,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$1,312,000</b>	<b>\$2,624,000</b>	<b>\$1,767,000</b>	<b>\$3,534,000</b>
<b>Subtotal</b>	<b>\$5,987,000</b>	<b>\$9,667,000</b>	<b>\$11,126,000</b>	<b>\$18,139,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County	\$1,549,000	\$1,549,000	\$1,624,000	\$1,624,000
Corporate and foundation	\$200,000	\$350,000	\$232,000	\$406,000
interests/sponsors				
Economic development resources	\$100,000	\$100,000	\$116,000	\$116,000
<b>Subtotal</b>	<b>\$1,849,000</b>	<b>\$1,999,000</b>	<b>\$1,972,000</b>	<b>\$2,146,000</b>
<b>Total Sources</b>	<b>\$7,836,000</b>	<b>\$11,666,000</b>	<b>\$13,098,000</b>	<b>\$20,285,000</b>
<b>(Gap)/Surplus</b>	<b>(\$2,487,000)</b>	<b>\$1,342,000</b>	<b>\$2,270,000</b>	<b>\$9,458,000</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> 50% increase in parking revenue assumed dedicated to streetcar (shown as "low" option in table); remaining 50% assumed used for other purposes. A higher percentage could be used to overset funding gaps in early years (75% shown as "high" option in table)

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of each side of streetcar corridor



### *Funding for Midtown Greenway Alignment*

A funding scenario for the Midtown Greenway Line based on the “all sources” scenario is shown in Table 10 (“ballasted” track) and Table 11 (“embedded” track). This scenario reflects the following assumptions:

- Operating revenues including farebox and passes, federal formula funds, advertising and bulk user agreements
- City tax abatement on 10-years of new development outside TIF Districts
- 15% federal, state, regional, county and/or private regional contributions
- 100% of increases in parking revenues within streetcar benefit zone – ¼ mile of streetcar line
- 2.5 cent (“low” option) to 5.0 cent (“high” option) streetcar benefit zone assessment within ¼ mile of streetcar stations

Based on the above assumptions, this funding scenario does not generate adequate revenues to fund the Midtown Greenway Line, whether constructed with ballasted track or embedded track. This scenario would result in an initial annual shortfall of \$5.0 -8.4 million. Five years after start-up, the annual shortfall would be approximately \$3.2 - 6.7 million. Additional revenue sources not identified in this study would be needed to fund the Midtown Greenway line.

Note: Funding scenarios #2 thru 4 were not modeled for the longer lines because the existence of deficits in Year 1 under Scenario #1 would already pose a funding challenge. The “high” columns in Tables 7 – 9 already contain “stretch” assumptions as to shares of parking revenue increases allocated to the streetcar. Since Scenarios #2 – 4 produce less revenue, deficits would increase, thereby increasing the funding challenge. If it is decided to investigate these lines further, more detailed projections should be made based on the types of tools and the level of charging (e.g. surcharge rates, share of parking revenues, level of assessment tax rate, etc) the City were to consider using to fund the lines. This is particularly relevant in the case of the HUC line, where the projected Year 1 funding gap (if any), may under certain circumstances be manageable by altering some of the assumed funding parameters.



Table 10. "All Sources" Funding Option for Midtown Greenway - Ballasted Track

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$5,189,000	\$5,189,000	\$6,016,000	\$6,016,000
Annualized Capital Cost and Debt Service	\$5,898,000	\$5,898,000	\$5,898,000	\$5,898,000
<b>Total Annual Costs</b>	<b>\$11,087,000</b>	<b>\$11,087,000</b>	<b>\$11,913,000</b>	<b>\$11,913,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$966,000</b>	<b>\$1,770,000</b>	<b>\$1,120,000</b>	<b>\$2,052,000</b>
Farebox and Passes <sup>1</sup>	\$916,000	\$1,270,000	\$1,062,000	\$1,472,000
Federal Formula Funds	\$0	\$200,000	\$0	\$232,000
Savings on Bus Operations <sup>5</sup>	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$58,000	\$232,000
Bulk User Agreements				
Convention Center/Sports Venues	\$0	\$0	\$0	\$0
Other Bulk Users	\$0	\$100,000	\$0	\$116,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$325,000</b>	<b>\$704,000</b>	<b>\$325,000</b>	<b>\$704,000</b>
Parking meter increases	\$168,000	\$336,000	\$168,000	\$336,000
Public parking increases	\$106,000	\$211,000	\$106,000	\$211,000
Private parking increases	\$51,000	\$157,000	\$51,000	\$157,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$625,000</b>	<b>\$625,000</b>	<b>\$2,580,000</b>	<b>\$2,580,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$416,000</b>	<b>\$832,000</b>	<b>\$566,000</b>	<b>\$1,132,000</b>
<b>Subtotal</b>	<b>\$2,332,000</b>	<b>\$3,931,000</b>	<b>\$4,591,000</b>	<b>\$6,468,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County	\$1,663,000	\$1,663,000	\$1,787,000	\$1,787,000
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$200,000	\$350,000
Economic development resources	\$100,000	\$100,000	\$100,000	\$100,000
<b>Subtotal</b>	<b>\$1,963,000</b>	<b>\$2,113,000</b>	<b>\$2,087,000</b>	<b>\$2,237,000</b>
<b>Total Sources</b>	<b>\$4,295,000</b>	<b>\$6,044,000</b>	<b>\$6,678,000</b>	<b>\$8,705,000</b>
<b>(Gap)/Surplus</b>	<b>(\$6,791,000)</b>	<b>(\$5,043,000)</b>	<b>(\$5,235,000)</b>	<b>(\$3,208,000)</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> 50% increase in parking revenue assumed dedicated to streetcar (shown as "low" option in table); 100% assumed dedicated to streetcar in "high" option in table

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of stations

<sup>5</sup> Operation of a Midtown Greenway streetcar could reduce the need for Route 53 bus service. This could result in an operations cost savings of \$420,000/year. Depending on the assumptions made as to where and to whom these savings are allocated it could potentially result in a corresponding reduction in the amount of "bottom" line subsidy needed if these savings are contributed by the Regional Transit agency to the streetcar project, over and above, whatever % share of total costs it is otherwise assumed to be contributing (for example, in the above chart the first line under "Regional Sources" in the above chart could potentially be increased by the amount of the savings.).



Table 11. "All Sources" Funding Option for Midtown Greenway - Embedded Track

	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Annualized Costs</b>				
Operations	\$5,189,000	\$5,189,000	\$6,016,000	\$6,016,000
Annualized Capital Cost and Debt Service	\$7,769,000	\$7,769,000	\$7,769,000	\$7,769,000
<b>Total Annual Costs</b>	<b>\$12,958,000</b>	<b>\$12,958,000</b>	<b>\$13,785,000</b>	<b>\$13,785,000</b>
<b>Revenue Sources:</b>				
<b>Operating Revenues</b>	<b>\$966,000</b>	<b>\$1,770,000</b>	<b>\$1,120,000</b>	<b>\$2,052,000</b>
Farebox and Passes <sup>1</sup>	\$916,000	\$1,270,000	\$1,062,000	\$1,472,000
Federal Formula Funds	\$0	\$200,000	\$0	\$232,000
Savings on Bus Operations <sup>5</sup>	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$58,000	\$232,000
Bulk User Agreements				
Convention Center/Sports Venues	\$0	\$0	\$0	\$0
Other Bulk Users	\$0	\$100,000	\$0	\$116,000
<b>Parking Revenues<sup>2</sup></b>	<b>\$325,000</b>	<b>\$704,000</b>	<b>\$377,000</b>	<b>\$816,000</b>
Parking meter increases	\$168,000	\$336,000	\$195,000	\$390,000
Public parking increases	\$106,000	\$211,000	\$122,000	\$245,000
Private parking increases	\$51,000	\$157,000	\$60,000	\$181,000
<b>Tax Abatement: Future (Establish in 2010)<sup>3</sup></b>	<b>\$625,000</b>	<b>\$625,000</b>	<b>\$2,580,000</b>	<b>\$2,580,000</b>
<b>Streetcar Benefit Zone Assessments<sup>4</sup></b>	<b>\$416,000</b>	<b>\$832,000</b>	<b>\$566,000</b>	<b>\$1,132,000</b>
<b>Subtotal</b>	<b>2,332,000</b>	<b>\$3,931,000</b>	<b>\$4,643,000</b>	<b>\$6,580,000</b>
<b>Regional Sources:</b>				
Federal, State, Regional, and/or County	\$1,944,000	\$1,944,000	\$2,067,000	\$2,068,000
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$232,000	\$406,000
Economic development resources	\$100,000	\$100,000	\$116,000	\$116,000
<b>Subtotal</b>	<b>\$2,244,000</b>	<b>\$2,394,000</b>	<b>\$2,415,000</b>	<b>\$2,589,000</b>
<b>Total Sources</b>	<b>\$4,576,000</b>	<b>\$6,324,000</b>	<b>\$7,058,000</b>	<b>\$9,169,000</b>
<b>(Gap)/Surplus</b>	<b>(\$8,382,000)</b>	<b>(\$6,634,000)</b>	<b>(\$6,726,000)</b>	<b>(\$4,615,000)</b>

<sup>1</sup> Over time farebox revenues may decrease as bulk user agreements increase or vice versa.

<sup>2</sup> 50% increase in parking revenue assumed dedicated to streetcar (shown as "low" option in table); 100% assumed dedicated to streetcar in "high" option in table

<sup>3</sup> Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence

<sup>4</sup> Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of stations

<sup>5</sup> Operation of a Midtown Greenway streetcar could reduce the need for Route 53 bus service. This could result in an operations cost savings of \$420,000/year. Depending on the assumptions made as to where and to whom these savings are allocated it could potentially result in a corresponding reduction in the amount of "bottom" line subsidy needed if these savings are contributed by the Regional Transit agency to the streetcar project, over and above, whatever % share of total costs it is otherwise assumed to be contributing (for example, in the above chart the first line under "Regional Sources" in the above chart could potentially be increased by the amount of the savings.).



## Conclusions

The following conclusions are based on the analysis completed during Stages 1 and 2 of the financial study, as described above:

1. The most promising City of Minneapolis-controlled funding sources for a streetcar project are:
  - Public and private parking revenues
  - Abatement of city share of property taxes generated by first ten years of future development (excluding existing TIF districts) and future increases in property value caused by streetcar presence
  - Assessments within a streetcar benefit zone
  - Revenues from fares, bulk user agreements, advertising and naming rights
2. While these funding sources have promise, all have implementation challenges and all have competing calls for their use.
3. Financing for a single short starter streetcar line is potentially feasible over a 25 year period if the tax abatement mechanism is used (in the manner indicated immediately above under 31) and if 75% of increased parking revenues are dedicated to the streetcar, even if no significant regional dollars become available and special assessments for streetcars remain ineligible.
4. While federal/state/regional funding is not easily available for the streetcar at this time, there are regional economic benefits and, in the long term, bus operations cost savings that should be reflected in any plan for funding streetcars.
5. Additional tax abatement funds could be available if Hennepin County agreed to allow tax abatement of the County portion of future taxes in streetcar benefit zones for streetcar construction.
6. The streetcar “starter” lines that are the most financially feasible, particularly without use of a benefit zone assessment, are:
  - Hennepin from Groveland to the LRT station
  - Nicollet from Franklin to the LRT station
  - Chicago from Franklin to the LRT station
  - University/Central from 4<sup>th</sup> Street SE to the LRT station
  - Washington from 10<sup>th</sup> Avenue N. to the LRT station

Other lines are also potentially financially feasible but may require a greater share of parking revenue increases and/or use of a higher benefit zone assessment.

7. A combined Hennepin/University/Central Line would be financially feasible if approximately 85% of increased parking revenues were used (in first year and declining percentage thereafter as other sources build up) and/or a streetcar benefit zone assessment were included in the funding plan.
8. The Midtown Greenway Line is not financially feasible with the proposed combination of operating revenues, increased parking fees, city tax abatement and a streetcar benefit zone assessment. Significant additional funds (\$5 -7 million in first year) would be needed on an ongoing annual basis even with the combined use of all proposed funding tools.



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## Appendix A

### SUMMARY OF POTENTIAL FUNDING SOURCES

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The attached table of Potential Funding Sources is updated from Figure 7-2, *Minneapolis Streetcar Feasibility Study*, Nelson\Nygaard Consulting Associates, December 2007. The update reflects input from HDR and City staff during the first Phase of this Funding Study. Each potential source was reviewed and evaluated with respect to the following criteria (described in greater detail at Page 5 of the Final Report):

- ***Ease and speed of implementation:*** Can the tool be used for streetcar financing without requiring new State law changes? If laws must be changed, are these amendments likely to be major or minor and how much statewide support might they have?
- ***Ease of administration:*** Are existing mechanisms in place? Can the tool “piggyback” on some form of existing measurement or collection system?
- ***Predictability and reliability of revenue stream:*** Does the tool generate an immediate, steady and easily forecast revenue stream operating off an existing resource base? Is it dependent on future growth or a base subject to economic cycles?
- ***Order of magnitude of revenue:*** Is the amount of revenue the tool can generate “worth” the energy – politically and administratively – needed to set it up and maintain it over time?



## Summary of Funding Options

Brief Description	Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples	
<b>Federal</b>								
Federal Earmarks/ Demonstration Projects	Funding from direct earmark of federal funds procured by congressional delegation.	Low	Highly variable	Capital only	Low	No	Difficult to obtain	Little Rock
Federal Transit Act - Formula Funds	Federal program to fund region's capital improvement program.	Low-Medium		Vehicle purchases	High	No	Limited funds cover extensive regional needs – not likely to be available for streetcar in short-term	Little Rock
Federal Transit Administration - New Starts Program	Grants are for capital costs associated with new fixed guideway systems, extensions, and bus corridor improvements	Low	Varies tremendously	Capital only	High	No	20% local match requirement; FTA encourages higher local match – currently not available for streetcar	Memphis (earlier version of regulations)
Federal Transit Act - Small Starts Program	Grants are for capital costs associated with new fixed guideway systems, extensions, and bus corridor improvements	Low	In 2007, up to \$75 million from feds per project	Capital only	High	No	Total project costs must be under \$200 million – no funds yet awarded for streetcar projects	None to date
Congestion Mitigation and Air Quality (CMAQ)	Funding for surface transportation and other related projects that contribute to air quality improvements and reduce congestion	Low	Between \$500 K - \$7 M per project	Capital only	Moderate	No	One-time, three-year grants; requires 20% local match – significant competition for funds – not likely available for streetcar	Tampa



Brief Description		Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples
Housing and Urban Development Grants	Non-traditional Federal source, but have been know to earmark funds for streetcar projects	Low	Up to \$500,000	Capital only	Moderate	No	20% local match requirement – limited resources may be available if related to development	Portland
<b>State and Local</b>								
<b>Taxes</b>								
Convention Center Taxes	Revenues generated from the Minneapolis Convention Center Tax. Rate is 1/2 of 1% and is restricted to convention center related use legislatively; sources include food, liquor, hotels and sales tax.	Medium	Dependant on rate set	Capital only	High	Yes	Currently used for debt service on convention center	Charlotte
Local Sales Tax	Revenues generated from general sales tax imposed by local unit of government.	Medium	Dependant on rate set	Capital only	High	Yes	Would require an increase as current taxes are already pledged.	Tacoma Seattle (upcoming project)
County Sales Tax	Revenues generated from general sales tax imposed by local unit of government.	Medium	\$25-28 million annually (ballpark estimate).	Capital and O & M	High	Yes	Counties recently authorized to assess sales tax for transit – priority for funds is for LRT – not likely available for streetcar in short term	
Hotel Guest Tax	Revenues generated from tax on hotel guests (tourists).	Low		Capital	Moderate	Possibly	Recently increased to 3%; ties into convention center tax; city will not want to be non-competitive	New Orleans

Brief Description		Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples
Transit Utility Tax	A fee for public transit added to sewer/garbage bill (indirect tax).	Low-Medium		Capital and O&M	Moderate to High	Yes	Benefit study would probably be needed.	
Land Gains Tax	Tax is paid when land is sold or exchanged and is calculated based upon the pre-streetcar appraisal as compared to the sales price following completion of the streetcar. Data would indicate that increase in value can be attributed to the benefit of the streetcar if property is within 3 blocks distance of line (about ¼ mile).	Low	Amount may be initially somewhat speculative	O&M	Moderate	Yes	New; will require some speculation	Vermont (not due to transit benefit)
Motor Vehicle Sales Tax	Sales tax on motor vehicles, all of which is dedicated to transportation. Transit is guaranteed 40% of these funds.	Medium	\$120 M annually (only 50% for Metro)	Capital and O&M	High	No	Viewed as insufficient for regional transit needs – not likely to be available for streetcar in the short term	
Tax Abatement	Revenues from a tax collected by the City, county and school district and held for a designated purpose.	Medium	Maximum of \$200,000/year or 10% of current levy, whichever is greater	Capital	High	No	Not available on property within TIF district; city, county, school approval required unless limited to city share	

Brief Description		Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples
Wheelage Tax	Revenues generated from tax on motor vehicles using public streets or highways.	Medium	Annual for City residents \$15 for trucks, \$10 for other motor vehicles	Capital and O&M	High	Special Election Vote	Requires a general referendum	Dakota County has collected and used for Cedar Avenue Transitway; Tacoma
Parking Tax	A tax on parking similar to a use tax.	Medium		Capital and O & M	Moderate	Yes	Would not generate revenue where parking is free; State would receive and return a portion to the City.	San Francisco and Los Angeles
<b>Fees</b>								
Parking Impact Fee	An annual fee charged based upon the number of spaces available to property owners.	Medium		Capital and O&M	Moderate	Yes	Annual amount, Impact fee; free parking does not avoid the need to pay	Sydney
Regional Rail Authority	Revenues from an authority organized and existing as a political subdivision.	Medium-High		Capital only	High	No	Authority rests with the County; 6 weeks public notice; may require public vote	
Transit Impact Development Fee	One time fee (typically) on new property based upon projected usage of transit and benefit created by proximity of tenant.	Low		Capital only	High	Yes	Requires developer support	



Brief Description		Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples
In Lieu of Parking Fee, Density Bonus, Development Fee (TOD)	One time payment from developers. [Example: City negotiates one time payment for increased density, or one time payment for relief from parking requirements within certain distance of streetcar (found in transit oriented developments), or payment by developer for density increase over what is allowable by zoning.]	Low-Medium	One time fee	Capital only	High	Zoning code amendment	Requires developer support	Lynn Lake model; buy credits; annual assessment or consider downtown where zoning code does not require parking and a fee in lieu to all buildings
<b>Benefit Districts</b>								
Local Improvement District (Special Services District)	District where special services are rendered and the costs of such services are paid from service charges collected; typically used for advertising, lighting, parking; may NOT be for services typically paid for through general funds.	Low		Capital and O&M	Moderate	Yes if wish to include residential properties	If route largely serves residential this would present a challenge; would require local business/developer support	Minneapolis, Seattle, Portland; similar to special service district on Nicollet Mall
Special Assessment District	Revenues generated from a district established for improvements paid by special assessment.	Medium		Capital only	High	Yes	Must satisfy the law that benefit is received; change needed to apply to residential; developer/business support needed	
Housing Service District	Similar to special assessment district but would apply to residential and not just commercial and industrial.	Low-Medium		Capital and O&M	Moderate	Yes		



Brief Description		Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples
Tax Increment Financing (TIF) District	Tax increment financing for improvements: water, sewer, roads and parking facilities, etc.	Medium - High		Capital	High	Possibly	Very competitive; restricted uses; 15% of total market value currently in TIF	Austin; Portland
Recycled Matured TIF	Dedicated portion of previous TIF stream when TIF districts sunsets.	Medium - High	Some portion of current districts that are expiring in 2009	Capital and O&M	High	Possibly	Very competitive; restricted uses; 15% of total market value currently tied up in TIF in Minneapolis	
State Aid; MSAS	DOT funding for City of Minneapolis' highway maintenance and construction.	Low	M.S. 162 State funding varies	Capital for designated municipal state aid streets	Low	Yes	Very competitive; cannot be used for rail projects without change in state constitution	
<b>Parking</b>								
Parking Meter Revenues	Revenues received from use of parking meters.	Medium	Downtown or throughout city	Capital and O&M	Moderate	No	Already funding other priorities; ordinance may be required	Portland
Parking Ramp Revenue	Revenues received from use of parking ramps.	Medium		Capital and O&M	Moderate	No	Already funding other priorities; ordinance may be required	Portland
<b>Operating Funds</b>								
Streetcar Farebox Revenues	Revenues generated directly from rider fares.	Low		O&M only	Moderate	No		

Brief Description		Estimated Annual Revenues (High, Medium or Low)	Estimated Annual Revenue	Capital or O&M	Reliability as a Funding Source	Legislative Change Required? (Yes, No or Possibly)	Notes	Best Practices / Examples
Streetcar Advertising Revenue	Monthly revenue from interior/exterior ads, ads on vehicles, benches and stations/stops.	Low	Annual amount	O&M only	Moderate to High	No	Will need to be negotiated with entity owning or operating streetcar; may compete with Coordinated Street Furniture Program	Many examples. Galveston generates \$100,000 month for interior and exterior ads.
Streetcar Naming Rights	Naming the system, individual cars or stations for a fee; can be a one time or annual sponsorship	Low		Capital or O & M	Moderate			Tampa
<b>Other</b>								
Air Rights	Revenues generated by selling of air rights over part of a corridor or maintenance building, etc.	Low		Capital only	Moderate	No		Seattle
Non-Profit Contributions	Streetcar established as a non-profit entity; contributions and/or endowment similar to non-profits, hold events to fund streetcar service.	Low		Capital and O&M	Low	Possibly	Legal input needed	Tucson
Operating Endorsements	Foundations with Program Related Invest (PRI) program can provide endowment; distinguish from corporate grants, grants for livability improvements to community.	Low		Capital and O&M	Moderate	Yes	Competition for non profit and foundation support for affordable housing, social welfare, etc	Tampa

<sup>1</sup>Table updated from Figure 7-2, *Minneapolis Streetcar Feasibility Study*, Nelson\Nygaard Consulting Associates, December 2007.



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## Appendix B

### FINANCIAL TABLES FOR INDIVIDUAL SHORT STARTER LINES

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The funding scenarios shown on the following pages reflect full application of the “All Sources” case to each of the five short starter lines in their year of opening (“Start of Operations”) and after 5 full years of operation. “Low” and “High” levels of revenues for each funding source are shown and aggregated to generate a total funding stream for the particular line.



*Nicollet Line*

Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,052,869	\$5,052,869	\$5,052,869	\$5,052,869
<b>Total Costs</b>	<b>\$7,161,289</b>	<b>\$7,161,289</b>	<b>\$7,497,160</b>	<b>\$7,497,160</b>
<b>Revenue Sources:</b>				
<b><u>Direct Beneficiaries:</u></b>				
<u>Operational revenues</u>	<u>\$282,450</u>	<u>\$1,464,900</u>	<u>\$327,444</u>	<u>\$1,698,258</u>
Farebox and Passes	\$232,450	\$464,900	\$269,479	\$538,958
Federal Formula Funds Pass Through	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$4,528,072</u>	<u>\$4,528,072</u>	<u>\$9,724,644</u>	<u>\$9,724,644</u>
<u>Parking:</u>				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$1,523,404	\$1,523,404	\$6,241,410	\$6,241,410
<u>Owners: Potential Benefit District Revenues</u>	<u>\$1,393,179</u>	<u>\$2,786,358</u>	<u>\$1,880,864</u>	<u>\$3,761,728</u>
<b><i>Subtotal</i></b>	<b><i>\$6,203,701</i></b>	<b><i>\$8,779,330</i></b>	<b><i>\$11,932,952</i></b>	<b><i>\$15,184,630</i></b>
<b><u>Regional Interests:</u></b>				
Metro Transit Agency/Metropolitan Council	\$1,074,193	\$1,074,193	\$1,124,574	\$1,124,574
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b><i>Subtotal</i></b>	<b><i>\$1,374,193</i></b>	<b><i>\$1,524,193</i></b>	<b><i>\$1,472,356</i></b>	<b><i>\$1,646,247</i></b>
<b>Total Sources</b>	<b>\$7,577,894</b>	<b>\$10,303,523</b>	<b>\$13,405,308</b>	<b>\$16,830,877</b>
<b>(Gap)/Surplus</b>	<b>\$416,605</b>	<b>\$3,142,234</b>	<b>\$5,908,148</b>	<b>\$9,333,717</b>



*Hennepin Avenue*

Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,744,336	\$4,744,336	\$4,744,336	\$4,744,336
<b>Total Costs</b>	<b>\$6,852,755</b>	<b>\$6,852,755</b>	<b>\$7,188,626</b>	<b>\$7,188,626</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
<u>Operational revenues</u>	<u>\$284,638</u>	<u>\$1,469,276</u>	<u>\$329,981</u>	<u>\$1,703,331</u>
Farebox and Passes	\$234,638	\$469,276	\$272,016	\$544,031
Federal Formula Funds Pass Through	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$4,156,875</u>	<u>\$4,156,875</u>	<u>\$8,248,294</u>	<u>\$8,248,294</u>
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$1,152,206	\$1,152,206	\$4,765,060	\$4,765,060
<u>Owners: Potential Benefit District Revenues</u>	<u>\$958,785</u>	<u>\$1,917,570</u>	<u>\$1,324,599</u>	<u>\$2,649,199</u>
<b>Subtotal</b>	<b>\$5,400,298</b>	<b>\$7,543,721</b>	<b>\$9,902,874</b>	<b>\$12,600,824</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$1,027,913	\$1,027,913	\$1,078,294	\$1,078,294
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,327,913</b>	<b>\$1,477,913</b>	<b>\$1,426,076</b>	<b>\$1,599,967</b>
<b>Total Sources</b>	<b>\$6,728,211</b>	<b>\$9,021,634</b>	<b>\$11,328,950</b>	<b>\$14,200,791</b>
<b>(Gap)/Surplus</b>	<b>(\$124,544)</b>	<b>\$2,168,879</b>	<b>\$4,140,324</b>	<b>\$7,012,165</b>



*University and Central*

Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,511,671	\$4,511,671	\$4,511,671	\$4,511,671
<b>Total Costs</b>	<b>\$6,620,090</b>	<b>\$6,620,090</b>	<b>\$6,955,962</b>	<b>\$6,955,962</b>
<b>Revenue Sources:</b>				
<b><u>Direct Beneficiaries:</u></b>				
Operational revenues	\$194,028	\$1,288,056	\$224,937	\$1,493,243
Farebox and Passes	\$144,028	\$288,056	\$166,972	\$333,943
Federal Formula Funds Pass Through	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$4,113,084	\$4,113,084	\$8,079,163	\$8,079,163
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$1,108,416	\$1,108,416	\$4,595,929	\$4,595,929
Owners: Potential Benefit District Revenues	\$860,119	\$1,720,239	\$1,202,483	\$2,404,966
<b>Subtotal</b>	<b>\$5,167,232</b>	<b>\$7,121,379</b>	<b>\$9,506,583</b>	<b>\$11,977,372</b>
<b><u>Regional Interests:</u></b>				
Metro Transit Agency/Metropolitan Council	\$993,014	\$993,014	\$1,043,394	\$1,043,394
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,293,014</b>	<b>\$1,443,014</b>	<b>\$1,391,176</b>	<b>\$1,565,068</b>
<b>Total Sources</b>	<b>\$6,460,245</b>	<b>\$8,564,393</b>	<b>\$10,897,759</b>	<b>\$13,542,440</b>
<b>(Gap)/Surplus</b>	<b>(\$159,845)</b>	<b>\$1,944,302</b>	<b>\$3,941,798</b>	<b>\$6,586,478</b>



*Chicago Line*

Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,260,244	\$5,260,244	\$5,260,244	\$5,260,244
<b>Total Costs</b>	<b>\$7,368,664</b>	<b>\$7,368,664</b>	<b>\$7,704,535</b>	<b>\$7,704,535</b>
<b>Revenue Sources:</b>				
<b><u>Direct Beneficiaries:</u></b>				
<u>Operational revenues</u>	<u>\$239,180</u>	<u>\$1,378,361</u>	<u>\$277,282</u>	<u>\$1,597,933</u>
Farebox and Passes	\$189,180	\$378,361	\$219,317	\$438,633
Federal Formula Funds Pass Through	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$4,547,249</u>	<u>\$4,547,249</u>	<u>\$9,826,046</u>	<u>\$9,826,046</u>
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$1,542,580	\$1,542,580	\$6,342,811	\$6,342,811
<u>Owners: Potential Benefit District Revenues</u>	<u>\$1,358,127</u>	<u>\$2,716,255</u>	<u>\$1,849,478</u>	<u>\$3,698,957</u>
<b>Subtotal</b>	<b>\$6,144,556</b>	<b>\$8,641,864</b>	<b>\$11,952,806</b>	<b>\$15,122,936</b>
<b><u>Regional Interests:</u></b>				
Metro Transit Agency/Metropolitan Council	\$1,105,300	\$1,105,300	\$1,155,680	\$1,155,680
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,405,300</b>	<b>\$1,555,300</b>	<b>\$1,503,462</b>	<b>\$1,677,354</b>
<b>Total Sources</b>	<b>\$7,549,856</b>	<b>\$10,197,164</b>	<b>\$13,456,268</b>	<b>\$16,800,290</b>
<b>(Gap)/Surplus</b>	<b>\$181,192</b>	<b>\$2,828,500</b>	<b>\$5,751,733</b>	<b>\$9,095,755</b>



*Washington Avenue*

Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,370,049	\$4,370,049	\$4,370,049	\$4,370,049
<b>Total Costs</b>	<b>\$6,478,469</b>	<b>\$6,478,469</b>	<b>\$6,814,340</b>	<b>\$6,814,340</b>
<b>Revenue Sources:</b>				
<b><u>Direct Beneficiaries:</u></b>				
<u>Operational revenues</u>	<u>\$191,090</u>	<u>\$1,282,180</u>	<u>\$221,531</u>	<u>\$1,486,431</u>
Farebox and Passes	\$141,090	\$282,180	\$163,566	\$327,131
Federal Formula Funds Pass Through	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$4,087,673</u>	<u>\$4,087,673</u>	<u>\$7,869,158</u>	<u>\$7,869,158</u>
<u>Parking:</u>				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
<u>Tax Abatement: Future</u>				
Establish in 2010	\$1,083,004	\$1,083,004	\$4,385,924	\$4,385,924
<u>Owners: Potential Benefit District Revenues</u>	<u>\$1,069,691</u>	<u>\$2,139,382</u>	<u>\$1,412,750</u>	<u>\$2,825,500</u>
<b>Subtotal</b>	<b>\$5,348,454</b>	<b>\$7,509,235</b>	<b>\$9,503,439</b>	<b>\$12,181,090</b>
<b><u>Regional Interests:</u></b>				
Metro Transit Agency/Metropolitan Council	\$971,770	\$971,770	\$1,022,151	\$1,022,151
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,271,770</b>	<b>\$1,421,770</b>	<b>\$1,369,933</b>	<b>\$1,543,824</b>
<b>Total Sources</b>	<b>\$6,620,224</b>	<b>\$8,931,005</b>	<b>\$10,873,372</b>	<b>\$13,724,914</b>
<b>(Gap)/Surplus</b>	<b>\$141,755</b>	<b>\$2,452,536</b>	<b>\$4,059,032</b>	<b>\$6,910,574</b>

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# Federal Funding Update Addendum

## MINNEAPOLIS STREETCAR FUNDING STUDY

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March, 2010



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## Current Federal Funding Environment:

This Update Addendum was prepared to reflect the potential impact of improvements in the Federal funding environment for streetcars that have been emerging since the preparation of the original Final Report of the *Minneapolis Streetcar Funding Study* in February, 2009. The Final Report developed a series of local funding alternatives assuming that the likelihood of the City of Minneapolis obtaining Federal transit funds for use toward streetcar lines was extremely low, given the criteria then being used by the FTA to evaluate transit projects.

A series of federal policy and program changes over the past year have significantly improved the prospects for Federal funding for streetcar and urban circulator projects. In the following sections, this Update Addendum first discusses the changing Federal funding environment and what it means for streetcar projects. It then presents a series of updated funding scenarios for all of the previously analyzed starter lines, reflecting a new assumption, namely that Federal funding will cover 50% of the capital costs. Lastly, it presents a list of recommended next steps if the City of Minneapolis decides to pursue a Federal funding application.

The Federal government, under the provisions of the Transportation Authorization legislation periodically renewed by Congress, provides capital funding for new transit projects under the “New Starts” program. In 2003, a new mechanism was created within this framework that was intended by its Congressional authors to provide funding for smaller-scale local transit projects, including streetcar projects. Called “Small Starts”, this program was set up to be hospitable to streetcar investments, with criteria for project approval aimed at economic development and land use, as well as traditional measurements of transportation cost-effectiveness. The Small Starts program was configured to provide grants of up to \$75 million to worthy projects against a total project capital cost not to exceed \$250 million; however, prior to 2009, no streetcar projects had been funded through the Small Starts program. Until 2009, the program had been used primarily to fund Bus Rapid Transit projects.

At the time that the *Minneapolis Streetcar Funding Study* was initiated, successful streetcar projects in other cities had been implemented using locally-controlled funding sources, such as parking revenues, assessment districts, and value capture tools, and by constructing short line segments based in downtowns. A robust development market enabled the use of value capture tools to “bootstrap” at least some streetcar projects into implementation.

Since then, there have been two dramatic changes. First, a massive national recession and a deep chill over real estate investment has had the dual effects of reducing local government revenue potential and thinning the ranks of private-sector partners that might be enlisted in a local streetcar funding scenario.

Secondly, the federal government is placing increasing emphasis on the role that transit investment coordinated with land use and community development can play in increasing the overall livability and sustainability of communities. USDOT Secretary Ray LaHood and FTA Administrator Peter Rogoff have recently taken significant steps to reform surface transportation funding and decision-making – changes that will broaden the opportunities for New Starts, Small



Starts, and urban circulator projects in competition for Federal funding. Perhaps the most dramatic policy shift to date occurred on January 13, 2010 with the announcement of changes to the process for recommending New Starts and Small Starts projects for discretionary Federal funding and steps that FTA will be taking to change the project rating and evaluation process. This recent announcement is one step in a series of program reforms that USDOT and FTA have been introducing over the past six to nine months.

This general policy movement is now being followed up with specific actions. While these changes will benefit transit development in general, streetcars and urban circulators are particularly impacted positively:

**January 2010 Policy Shift:** On January 13, 2010, USDOT and FTA formally rescinded a policy implemented in 2005 that all projects funded through the New Starts and Small Starts program must achieve at least a “medium” rating in the defined measure of “cost effectiveness”. This measure was based on travel time savings and presented significant challenges to many transit projects, particularly streetcars and urban circulators (projects based more on general accessibility and access to economic development rather than travel time savings). FTA policies now direct that a broader set of criteria (related to livability, economic development, environmental, social, and congestion relief benefits) be given equal weight to “cost effectiveness” measures. This change should have a favorable impact in making streetcar projects more competitive for New Starts and Small Starts funds compared to more traditional line-haul rail and bus transit projects.

This recent announcement piggy-backs on June 2009 policy guidance also introducing a broader and more equally weighted set of project evaluation criteria for New Starts and Small Starts. FTA is anticipated to initiate rulemaking on improvements to the measures of cost-effectiveness, economic development and livability/sustainability.

**DOT-HUD-EPA Partnership for Sustainable Communities:** In 2009, the U.S. Department of Transportation (DOT), Housing and Urban Development (HUD), and Environmental Protection Agency (EPA) announced a joint “Partnership for Sustainable Communities”. The three agencies made a commitment to work together to advance livable communities and sustainable development. All of the new and updated funding programs within these agencies are following basic livability principles articulated in this partnership, as evidenced in the new Urban Circulator program as well as criteria applied in project selection criteria in the ARRA and TIGER grant programs.

**Urban Circulator Grants:** In December, 2009 the Administration announced the availability of up to \$280 million in Section 5309 funds for “Urban Circulator” projects and “Bus Livability projects”, with \$130 million specifically reserved for “Urban Circulators”. The grant applications were to be for a maximum of \$25 million per project and were due on February 10, 2010. The NOFA (Notice of Funding Availability) is attached as Appendix 1, and again highlights and extends the livability, economic development, environmental and community benefits criteria as articulated in the DOT-HUD-EPA Partnership and initiated in the TIGER program. FTA will select projects by late Spring of 2010, and *may* be able to continue with another round of discretionary



funding for these types of projects within the current fiscal year.

***Funding of Streetcars under the ARRA Act:*** In fall 2009, a \$1.5 billion discretionary surface transportation funding program was created, including funding for streetcars, referred to as Transportation Investment Generating Economic Recovery (TIGER) grants, under the American Recovery and Reinvestment Act (ARRA). Criteria for these funds (besides being “shovel ready” and creating jobs) included:

- A state of good repair for existing transportation facilities
- Enhanced economic competitiveness;
- Safer streets and communities;
- Environmental sustainability; and
- Enhanced community livability.

On February 17, 2010 the award of a wide range of surface transportation projects totaling \$1.5 billion was announced. These awards included \$160 million in funding for streetcar projects in New Orleans, Tucson, Dallas and Portland. Out of 1400 applications (totaling over \$57 Billion in projects) for \$1.5 billion in available TIGER funds, note that four streetcar projects (or **less than 0.3%** of the total applicant pool) were awarded **more than 10%** of the total funds. Over 30% of all streetcar projects that applied for TIGER funds received awards. The Administration anticipates a second round of TIGER funds totaling \$600 million to be available in Fall 2010 with project applications and selection criteria similar to the first round.

TIGER grant projects are focused on near-term job creation, in addition to loftier long-term objectives focused on supporting walkable, livable communities. There are resulting criteria that call on project sponsors to be ready to proceed. Projects must have:

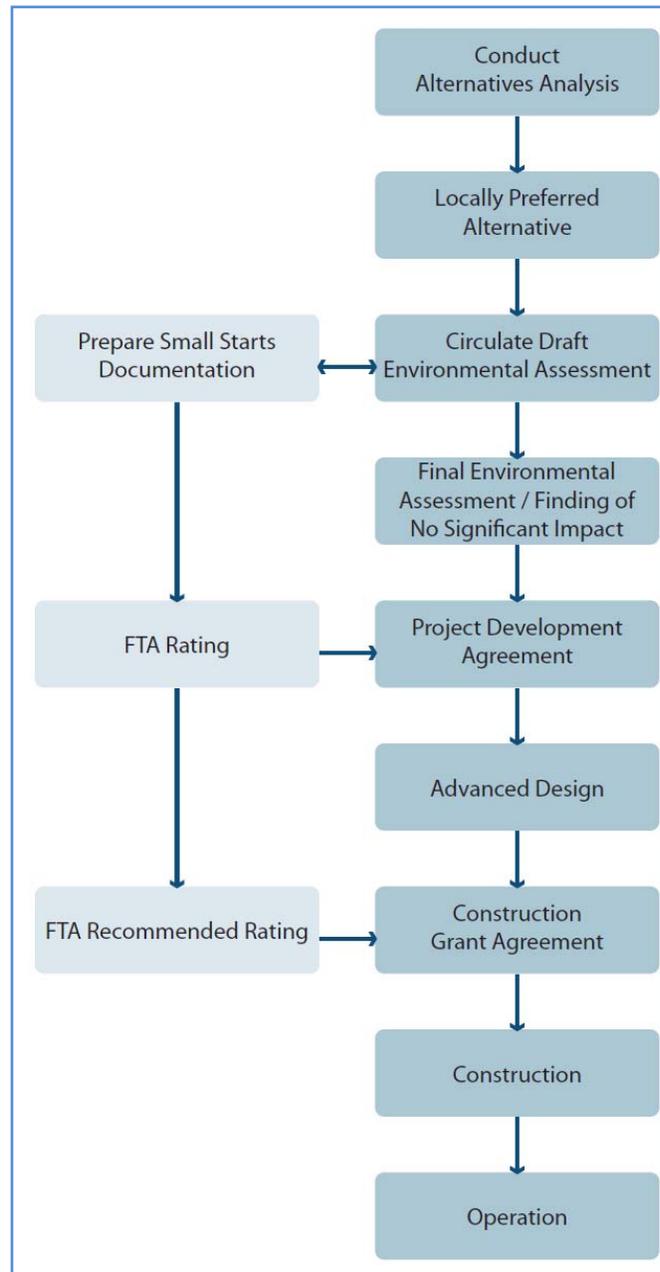
- Completed basic feasibility/alternatives analysis;
- Agreed on a schedule and process with the relevant FTA regional office for completing NEPA clearance;
- Crafted a local finance and operating plan that specifies the local share of funding for capital and ongoing funding for operations;
- An ability to commit to initiating construction within 18 months of receiving a grant award.

After receiving a TIGER or Urban Circulator grant award, recipients will be subject to FTA oversight, including a “Go/No Go” decision within the first few months after award as to whether the project is truly able to proceed on the required schedule.

If, as expected, there will be another round of TIGER grant funding opening for applications over next few months, these commitments would need to be in place by summer-fall 2010. If it is possible to select a most-promising initial project phase, and to have these other pieces in place by September of 2010, then a TIGER-funded project is a possibility. If not, then the more sequential Small Starts process is a better process for carrying the project forward.

**SAFETEA-LU Reauthorization:** Many of the streetcar friendly criteria already incorporated into the TIGER and Urban Circulator Grants evaluation process (see Table 1) are likely to be further refined and incorporated into the Reauthorization bill as it is being drafted over the next year (but unlikely to be passed until 2011). However, it is important to realize that the current SAFETEA-LU statutory evaluation measures and framework are still in effect, including cost effectiveness, until new Authorization and new rulemaking. This Spring 2010 (typically in May/June), FTA will release its annual updated reporting instructions and evaluation methodology for New Starts and Small Starts project ratings to be applied in the coming year. It is likely that *some* changes will be introduced at that time. FTA states they will initiate rulemaking soon to implement a revised cost effectiveness measure considering additional transit benefits, but it may be 2011 before an evaluation matrix comes into full play that allows balanced consideration to be given to a wide range of benefit measures (other than pure mobility statistics), such as land use and economic development impacts.

Figure 1 – Small Starts Project Development Process





**Table 1: Federal Capital Funding for Streetcar Projects**

Program	Total available	\$ Per Project	Key Criteria	Funded projects	Timeline/Process
TIGER Transportation Investments Generating Economic Recovery	\$1.5 billion in first round,  \$600 million slated for second round	No limitation, but informal statements by USDOT that amounts will be smaller in next round, and that level of local commitment is important	State of Good Repair  Economic Competitiveness (jobs)  Liveability  Sustainability  Safety	Portland - \$75m  Tucson - \$63m  New Orleans - \$45m  Dallas - \$23m	Next round will be opened for applications in September  Title of program will change to “National Infrastructure Investment Program”  Criteria likely to remain as before, or similar  Joint USDOT/HUD/EPA review of applications  <u>Process:</u> Application/NEPA/commit to construction by 2/2012
FTA Urban Circulator Grant Program	\$130 million	\$25 million	Liveability Sustainability Economic Development Leverage of public and private investment	Applications were submitted February 10 <sup>th</sup>  70 projects submitted, for a total amount of over \$1 billion	Selected projects to be announced in May/June  Unclear if funding will be found to support another round of project awards  <u>Process:</u> Alternatives Analysis/NEPA/FTA review/Commit to begin construction within 18 months/Construction grant
FTA Small Starts	\$200 million in current appropriations	\$75 million  Total project cost: no more than \$250 million	Transportation Cost-Effectiveness  Economic Development  Land Use	None  Portland and Tucson were in the review process, but were shunted to TIGER	Criteria under review, but likely to evolve closer to Urban Circulator criteria, with additional attention to ridership and cost-effectiveness  <u>Process:</u> Alternatives Analysis/NEPA/FTA Review/Project Development Agreement/Design/FTA Review/Construction grant



**Small Starts:** It now appears that with new Federal management, new policies already being introduced, and a new Transportation Reauthorization bill on the horizon, the FTA Small Starts program may be a viable option for streetcar projects. Compared to TIGER grants or even the Urban Circulator grant program, this revived option will mean larger potential grant amounts (up to \$75 million, a figure that might be maintained in the new Reauthorization bill). Small Starts currently requires a more elaborate FTA project development and grant approval process (Figure 1). As a *transit* program of the Federal Transit Administration (as opposed to an *economic stimulus* program of the overall USDOT), there will be greater attention to a proposed project's performance as a transit line, in addition to credit given for economic development leverage.

Given this background, it is reasonable for the City of Minneapolis to assume some level of Federal capital support for an initial streetcar project. These funding opportunities may come from a revised New Starts/Small Starts program, additional discretionary funding opportunities through ARRA or TIGER economic recovery programs, additional new funds available in the DOT-HUD-EPA Partnership for Sustainable Communities, or other programs. However, the city must compete for these funds with an increasing number of other cities seeking streetcar funding. In all cases, the streetcar line(s) seeking Federal funds must be included in the regional transportation plan to be eligible.

## Updated Local Funding Scenarios (Adding in Federal Grants):

### ***Basic Assumptions:***

It is assumed in the updated funding analysis that Minneapolis' initial project(s) might reasonably seek up to 50% Federal funding of the project's capital costs, if the above described policy realignment towards Federal funding of streetcars continues and deepens. While the funding criteria for some funding sources may allow for up to 80%, it is likely that projects that limit their funding requests to 50% or less of capital costs are going to have a much greater chance of being considered. The Small Starts program has a maximum grant amount of \$75 million and the Urban Circulator program has a maximum grant amount of \$25 million. This is due to the high level of competition expected given that a large number of cities are now advancing projects and given that an increased number of other types of projects, such as BRT, may also be competing in the same funding pool. Top USDOT officials have also recently stressed the importance of local financial commitment – both public and private-sector – in demonstrating a project's credibility. There will still be only a relatively limited amount of total Federal resources available specifically for streetcars given the overall constraints on the Federal budget.

### ***Additional Scenarios:***

Following the completion of the draft Final Report, three funding scenarios were re-evaluated for each of the 8 potential initial streetcar projects studied in the draft Final Report:



- **“Hennepin”**: From Groveland Avenue to 5<sup>th</sup> Street S LRT Station
- **“Nicollet”**: From Franklin Avenue to 5<sup>th</sup> Street S LRT Station
- **“Chicago”**: From Franklin Avenue to 5<sup>th</sup> Street S LRT Station
- **“University/Central”**: From 4<sup>th</sup> Street SE to 5<sup>th</sup> Street S LRT Station
- **“Washington”**: From 10<sup>th</sup> Avenue N to 5<sup>th</sup> Street S LRT Station
- **“Combined Hennepin/University Central”**: From Groveland Avenue to 4<sup>th</sup> Street SE
- **“Midtown Greenway-Ballasted Track”**: From Southwest LRT to Hiawatha LRT
- **“Midtown Greenway-Embedded Track”**: From Southwest LRT to Hiawatha LRT

These scenarios incorporate the potential for 50% Federal funding of capital costs. In addition to the Federal funding, each of these scenarios assumes that 10% of the total combined annualized cost for operations and debt service (before credit for the Federal capital share) of a line is funded from broad regional sources, corporate and foundation interests or sponsors, and economic development resources.

The remaining financing gap is assumed to be “locally” derived from users (e.g. fares, advertising, and bulk user agreements) and geographically based benefit district sources. After reviewing all 26 potential funding sources, three sources were identified as having the most potential to generate enough revenue to fund a streetcar starter line. These three are:

- Increases in parking meter fees and a surcharge on public and commercial parking spaces – it was assumed that half of a 25% increase in parking revenues would be dedicated to streetcar. This equates to approximately a 12.5% increase in parking meter revenues and an annual surcharge of approximately \$50/non-residential parking space.
- City tax abatement related to future development (excluding existing TIF districts) and future increases in property value caused by streetcar presence (city share only) – it was assumed that city property taxes (not county or school district) generated by new development in a streetcar benefit zone (but outside existing TIF districts) would be dedicated to streetcar for a period of ten years. In addition, city property taxes generated by increases in value due to the presence of streetcar would be dedicated to streetcar for a period of ten years.
- Special assessments within a streetcar benefit district – it was assumed that a special assessment of 2.5-5.0 cents per \$100 estimated market value (EMV) would be applied to properties in a streetcar benefit zone (1/4 mile from stops/stations) except residentially zoned properties with less than four units.

These three funding tools were identified (in the Final Report of the *Minneapolis Streetcar Funding Study*) as those that, from an original list of 26 potential funding sources, had the most potential for generating the amount of revenue needed to fund a streetcar line if the City had to “go it alone”. There is still the possibility that a number of other sources might be used to assemble a complete funding package. While three scenarios illustrating particular combinations of these tools have been modeled in the Addendum tables, in actual fact any combination of them could be used and how that is ultimately structured is a policy decision that may vary depending on the corridor. The basic “Parking Revenue Increase” tool and the specific



modeling assumptions used to calculate its yield are described on pages 7 and 8 of the Final Report. Similarly, the “Special Benefit District” is described on pages 12 and 13 of the same Report; and the “Tax Abatement” tool on pages 11 and 12.

**Results:**

Table 2 below shows annual financial results of the five “short line” starter segments (i.e. Nicollet, Hennepin, University and Central, Chicago or Washington Ave – ranging from 1.1 to 1.5 route miles in length and \$65 to \$78 million in capital cost). The detailed funding Scenarios for each line are shown in Appendix 3.

All of these segments would be able to generate a surplus from Year 1, if the City of Minneapolis uses an increase in Downtown parking revenues and either tax abatement or benefit zone assessment approach. (the assumed increase in parking revenues equates to a 12 ½% increase in average parking meter rates and a \$50 annual surcharge per non-residential parking space in the Downtown area).

If neither of these tools is used and reliance for the local share is limited to using parking revenue increases, then there is some chance that a starter line might be in the red for up to \$.6 million in the first year of operations, with a declining amount thereafter. In a “high” scenario, all the five lines could be running at a surplus from Year 1, even without relying on either the tax abatement or assessment district tools.

**Table 2. Short Line Segment Financial Results with 50% Federal Capital Funding**

Segment	Capital Cost	Year	Annual Surplus or (Deficit) in millions Assumes 50% Federal Funding of Capital Cost					
			A. Parking Fees/Surcharges and Streetcar Benefit District Assessment		B. Parking Fees/Surcharges and Tax Abatement		C. Parking Fees/Surcharges Only	
			Low	High	Low	High	Low	High
Hennepin Line	\$70 million	Start of Operations	\$0.5	\$2.7	\$0.7	\$1.9	(\$0.4)	\$0.7
		5 Years after Start	\$1.1	\$3.8	\$4.6	\$5.9	(\$0.2)	\$1.2
Nicollet Line	\$75 million	Start of Operations	\$0.8	\$3.4	\$1.0	\$2.1	(\$0.5)	\$0.6
		5 Years after Start	\$1.6	\$4.8	\$5.9	\$7.3	(\$0.3)	\$1.0
Central and University Line	\$67million	Start of Operations	\$0.5	\$2.5	\$0.8	\$1.9	(\$0.3)	\$0.8
		5 Years after Start	\$1.1	\$3.7	\$4.5	\$5.8	(\$0.1)	\$1.2
Chicago Line	\$78 million	Start of Operations	\$0.7	\$3.2	\$0.9	\$2.1	(\$0.6)	\$0.5
		5 Years after Start	\$1.5	\$4.6	\$5.9	\$7.3	(\$0.4)	\$0.9
Washington Line	\$65 million	Start of Operations	\$0.8	\$3.0	\$0.8	\$2.0	(\$0.3)	\$0.9
		5 Years after Start	\$1.4	\$4.1	\$4.3	\$5.7	(\$0.0)	\$1.3

Notes:

- Tax Abatement: Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence
- Special District: Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of line or stations
- Parking Revenues: Assumes use of 50% of a 25% increase in Downtown parking revenues.



For the longer line segments (Hennepin/University/Central at 2.3 route miles and \$106 million capital cost; and the Greenway at 4.4 route miles and \$87 to \$113 million) several distinctions emerge with the Federal funding scenario (Table 3):

- The Hennepin/University/Central line has a plausible chance of breaking even or running a surplus in the first year, when using the 50% Federal funding assumption, parking revenue increases and one or the other of tax abatement or special assessment district tools. Only in the low end projection cases would there be a loss in the early years (\$0.9 million/yr or less). It could come close to breaking even or run a small surplus under a “medium” set of operations and revenue assumptions. If neither tool is used (with total reliance on parking revenue increases only), then there would be an annual loss in the early years of \$0.9 to \$2.2 million/year.
- The Midtown Greenway line will run a loss of \$3.8 million/year under the “high” projection (ballasted – using parking increase revenues and special district but no tax abatement). The loss could range up to \$6.6 million per year under the “low” assumption (embedded – using parking increase revenues but no tax abatement or special district).

**Table 3. Long Line Segment Financial Results with 50% Federal Capital Funding**

Segment	Capital Cost	Year	Annual Surplus or (Deficit) in millions Assumes 50% Federal Funding of Capital Cost					
			A. Parking Fees/Surcharges and Streetcar Benefit District Assessment		B. Parking Fees/Surcharges and Tax Abatement		C. Parking Fees/Surcharges Only	
			Low	High	Low	High	Low	High
Hennepin to Central/ University	\$106 million	Start of Operations	(\$0.9)	\$1.7	(\$0.8)	\$0.4	(\$2.2)	(\$0.9)
		5 Years after Start	(\$0.3)	\$2.9	\$3.4	\$4.9	(\$2.1)	(\$0.6)
Midtown Greenway- Ballasted	\$87 million	Start of Operations	(\$5.5)	(\$3.8)	(\$5.3)	(\$4.0)	(\$5.9)	(\$4.6)
		5 Years after Start	(\$5.9)	(\$3.9)	(\$3.9)	(\$2.4)	(\$6.4)	(\$5.0)
Midtown Greenway - Embedded	\$115million	Start of Operations	(\$6.2)	(\$4.5)	(\$6.0)	(\$4.8)	(\$6.6)	(\$5.4)
		5 Years after Start	(\$6.6)	(\$4.6)	(\$4.6)	(\$3.2)	(\$7.2)	(\$5.7)

Notes:

- Tax Abatement: Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence
- Special District: Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of line or stations
- Parking Revenues: Assumes use of 50-75% of a 25% increase in Downtown parking revenues for the Hennepin to Central/University line and 100% of a 25% increase in parking revenues within ¼ mile of Midtown Greenway streetcar for the Midtown Greenway line.

**Conclusions:**

- Inclusion of Federal funding for 50% of the capital cost puts any of the 5 “short line” starter segments within the reach of local funding viability by relying only on the use of an increase in Downtown parking revenues. This equates to a 12 ½% increase in average parking meter rates in the Downtown area and about a \$50 annual surcharge per public and commercial parking space. It would not require use of either tax abatement or new special assessment district tools. There also appears to be a realistic possibility that any



of the five lines could show a surplus from Year 1 on, or at most a loss of up to \$.6 million in the first year.

- A longer Hennepin to Central/University line (almost double the length of the “short lines”) also appears to be within the realm of local financing viability using the parking revenue increase tool, but it would also need to use either special assessment (2 ½ to 5 cents per \$100 EMV within the streetcar benefit zone) or tax abatement to cover early year operating deficits. Even then, in a “low” scenario it might experience deficits of up to \$0.9 million/yr.
- The Midtown Greenway would run a substantial deficit of at least \$3.8 million /year under the most favorable circumstances modeled, even with 50% Federal funding of capital costs. Additional funding sources or a greater federal and/or regional participation would be needed to assemble adequate funding for this corridor.
- While any of the five “short line” starter segments are plausibly viable under the 50% Federal capital funding assumption, the City may wish to pursue a somewhat larger project (i.e. more track miles) to help maximize initial ridership and impact. A longer line of up to approximately 2 1/2 route miles (roughly in the \$100 million cost range) and passing through or ending in the Downtown core could still be achievable with local resources (under a 50% Federal funding scenario) if the City, in addition to using parking revenue increases is willing to consider the tax abatement or special assessment district tool for a portion of the local funding, or an allocation of a larger share of parking revenue increases.

## Next Steps

The City has completed enough work to date to have a reasonable understanding of the engineering and financial challenges, as well as the transportation and economic development potential, of the various line alternatives. The City should decide whether it wishes to pursue Federal funding for a possible first-phase streetcar project in the City, and determine its federal strategy. That is, whether to move relatively quickly and seek funding under the next round of “TIGER” or Urban Circulator grants (if any), or to move more methodically into the Small Starts project development process.

There are tradeoffs in these strategic choices, particularly in the amount of Federal funds being sought, and in the level of project readiness. Projects that can proceed quickly into construction and which can be implemented with \$25 million or less of Federal funds are well-positioned to seek TIGER (Round 2) or, possibly, another round of Urban Circulator grants; those that are not as fully-developed and/or require a larger federal infusion are better advised to enter the Small Starts process. Projects being submitted for TIGER or Urban Circulator grants need to have a commitment for a local funding source, must be included in the regional transportation plan, and must be ready for construction within 18 months. It does not appear at this time that the City can meet these requirements in time for an application in Fall 2010. Therefore, it is more likely that the City will need to move more methodically into the Small Starts project development process.



If the City is interested in continuing to pursue developing a streetcar system, the first step is to select a corridor or limited set of corridor segments upon which to focus efforts. Then the following activities would be logical next steps:

1. Assemble, and supplement as needed, the technical data required to aid the Council in selecting the corridor priorities for entering into the federal project development process.
2. Work closely with local and regional partners to determine funding and implementation strategies, including incorporation of streetcar as part of the regional transportation policy plan.
3. Initiate outreach to potentially affected businesses, developers and property owners in the downtown area to assess support for streetcar implementation and proposed funding tools.
4. Select preferred local funding tool(s), detail how these funding tools would be structured, and pursue the necessary legislative and/or Council actions for utilizing those tools for streetcar implementation.
5. Once the above four steps have been completed, the City and its partner agencies should be in a position to initiate the federal transit project development process (Figure 2) for a priority corridor or limited group of corridor segments – this will require discussions with the FTA and will likely require following the New Starts/Small Starts process including completion of a corridor-level “Alternatives Analysis,” appropriate environmental reviews (most likely an Environmental Assessment), and some degree of preliminary engineering.

Costs for conducting these analyses and preparing these documents vary significantly, but there are some factors in Minneapolis’ case that should moderate the cost, particularly having already completed a thorough feasibility study and financial analysis for multiple streetcar alignments over the past few years. These previous studies provide a good basis for preparing the required documentation. The Federal Transit Administration is also making changes now in its approach to their project development process, which may make the process less complex, and thus less costly. As a result, there may be opportunities to more closely integrate the AA and EA processes.



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## Appendix A

# NOTICE OF FUNDING AVAILABILITY FOR URBAN CIRCULATOR GRANTS

**(DECEMBER 3, 2009)**

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APPENDIX A—FTA REGIONAL AND METROPOLITAN OFFICES—Continued

<p>New York Metropolitan Office Region 2—New York One Bowling Green, Room 428 New York, NY 10004-1415 Tel. 212-668-2202</p>	<p>Chicago Metropolitan Office Region 5—Chicago 200 West Adams Street, Suite 320 Chicago, IL 60606 Tel. 312-353-2789</p>
<p>Philadelphia Metropolitan Office Region 3—Philadelphia 1760 Market Street, Suite 500 Philadelphia, PA 19103-4124 Tel. 215-656-7070</p>	<p>Los Angeles Metropolitan Office Region 9—Los Angeles 888 S. Figueroa Street, Suite 1850 Los Angeles, CA 90017-1850 Tel. 213-202-0862</p>

[FR Doc. E9-20242 Filed 12-3-09; 4:15 pm]  
BILLING CODE P

DEPARTMENT OF TRANSPORTATION

Federal Transit Administration

Exempt Discretionary Program Grants (Section 5309) for Urban Circulator Systems

AGENCY: Federal Transit Administration (FTA), DOT.

ACTION: Notice of Availability of FTA Urban Circulator Funds; Solicitation of Project Proposals.

**SUMMARY:** The Federal Transit Administration (FTA) announces the availability of Section 5309 funds for exempt discretionary grants for Urban Circulator Systems which support the Department of Transportation Livability Initiative. The Urban Circulator program will be funded using \$130 million in unallocated Discretionary New Starts/ Small Starts Program funds, authorized by 49 U.S.C. 5309(a) of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy For Users (SAFETEA-LU), Public Law 109-59, August 10, 2005. FTA may use additional Section 5309(a) Discretionary funding that becomes available for allocation to further support this initiative.

This notice invites proposals for urban circulator projects seeking less than \$25,000,000 in Federal Section 5309 assistance that would compete for Section 5309 discretionary funds authorized by 49 U.S.C. 5309(a). The Secretary may make grants under 5309(a) to assist State and local governmental authorities in financing new fixed guideway capital projects including the acquisition of real property, the initial acquisition of rolling stock for the systems, the acquisition of rights-of-way, and relocation. This notice includes priorities established by FTA for these discretionary funds, the criteria FTA will use to identify meritorious projects for funding, and describes how to apply.

This announcement is available on the FTA Web site at: <http://www.fta.dot.gov>. FTA will announce final selections on the Web site and in the Federal Register. A synopsis of this announcement will be posted in the FIND module of the government-wide electronic grants Web site at <http://www.grants.gov>. Proposals may be submitted to FTA electronically at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov) or through the GRANTS.GOV APPLY function. Those who apply via e-mail at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov) should receive a confirmation e-mail within 2 business days.

**DATES:** Complete proposals for the discretionary program grants for urban circulator systems must be submitted by February 8, 2010. The proposals must be submitted electronically through the GRANTS.GOV Web site or via e-mail at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov). Anyone intending to apply electronically through GRANTS.GOV should initiate the process of registering on the GRANTS.GOV site immediately to ensure completion of registration before the deadline for submission.

**ADDRESSES:** Proposals may be submitted to FTA electronically at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov) or through the GRANTS.GOV APPLY function. Those who apply via e-mail at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov) should receive a confirmation e-mail within 2 business days.

**FOR FURTHER INFORMATION CONTACT:** Contact the appropriate FTA Regional Administrator (Appendix) for proposal-specific information and issues. For general program information, contact Elizabeth Day, (202) 366-5159, e-mail: [Elizabeth.Day@dot.gov](mailto:Elizabeth.Day@dot.gov) in the FTA Office of Planning and Environment, Office of Project Planning. A TDD is available at 1-800-877-8339 (TDD/ FIRS).

**SUPPLEMENTARY INFORMATION:**

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- I. Funding Opportunity Description
- II. Award Information
- III. Eligibility Information

IV. Application and Submission Information  
V. Application Review, Selection, and Notification

VI. Award Administration

VII. Agency Contacts

Appendix FTA Regional Offices

I. Funding Opportunity Description

A. Authority

The program is authorized under 49 U.S.C. 5309(a) as amended by section 3011 of SAFETEA-LU. The Secretary may make grants under this section to assist State and local governmental authorities in financing new fixed guideway capital projects, including the acquisition of real property, the initial acquisition of rolling stock for the systems, the acquisition of rights-of-way, and relocation. Consistent with Section 5309(e)(1)(B), projects receiving less than \$25,000,000 in Federal assistance with respect to a new fixed guideway capital project are considered exempt from certain requirements of the program, until a final regulation issued under paragraph (9) of this subsection takes effect.

B. Background

FTA has long fostered livable communities and sustainable transit development through its various programs and activities. Public transportation supports the development of communities, providing effective and reliable transportation alternatives that increase access to jobs, health and social services, entertainment, educational opportunities, and other activities of daily life, while also improving mobility within and among these communities. Through various initiatives and legislative changes over the last fifteen years, FTA has allowed and encouraged projects that help integrate transit into a community through neighborhood improvements and enhancements to transit facilities or services, or make improvements to areas adjacent to public transit facilities that may ease the transportation needs of transit users or support other infrastructure investments



that enhance the use of transit for the community.

On June 16, 2009, U.S. Department of Transportation (DOT) Secretary Ray LaHood, U.S. Department of Housing and Urban Development (HUD) Secretary Shaun Donovan, and U.S. Environmental Protection Agency (EPA) Administrator Lisa Jackson announced a new partnership to help American families in all communities—rural, suburban and urban—gain better access to affordable housing, more transportation options, and lower transportation costs.

DOT, HUD and EPA created a high-level interagency partnership to better coordinate Federal transportation, environmental protection, and housing investments. The Urban Circulator Program funding will be awarded to eligible projects that best demonstrate these livability principles (see C. below).

Approximately \$130 million in unallocated Section 5309 New Starts/ Small Starts funds are available under this notice. By using these available funds, FTA and DOT can support tangible livability improvements within existing programs while demonstrating the feasibility and value of such improvements. These demonstrations can provide a sound basis for advancing greater investments in the future. In addition, the program builds on the momentum generated by the American Recovery and Reinvestment Act 2009 and can help inform Administration and Congressional decisions makers on guidance needs for reauthorization.

**C. Purpose**

Improving mobility and shaping America's future by ensuring that the transportation system is accessible, integrated, and efficient, and offers flexibility of choices is a key strategic goal of DOT. FTA is committed to creating livable communities that improve the quality of life for all Americans. Urban circulator systems such as streetcars provide a transportation option that connects urban destinations and fosters the redevelopment of urban spaces into walkable mixed use, high density environments. Through the Urban Circulator Program grants, FTA will invest in a limited number of projects that fulfill the six livability principles that serve as the foundation for the DOT-HUD-EPA Partnership for Sustainable Communities:

1. *Provide more transportation choices:* Develop safe, reliable and economical transportation choices to decrease household transportation costs, reduce our nation's dependence on

foreign oil, improve air quality, reduce greenhouse gas emissions and promote public health.

2. *Promote equitable, affordable housing:* Expand location- and energy-efficient housing choices for people of all ages, incomes, races and ethnicities to increase mobility and lower the combined cost of housing and transportation.

3. *Enhance economic competitiveness:* Improve economic competitiveness through reliable and timely access to employment centers, educational opportunities, services and other basic needs by workers as well as expanded business access to markets.

4. *Support existing communities:* Target Federal funding toward existing communities—through such strategies as transit-oriented, mixed-use development and land recycling—to increase community revitalization, improve the efficiency of public works investments, and safeguard rural landscapes.

5. *Coordinate policies and leverage investment:* Align Federal policies and funding to remove barriers to collaboration, leverage funding and increase the accountability and effectiveness of all levels of government to plan for future growth, including making smart energy choices such as locally generated renewable energy.

6. *Value communities and neighborhoods:* Enhance the unique characteristics of all communities by investing in healthy, safe and walkable neighborhoods—rural, urban or suburban.

FTA will evaluate proposals and assess a project's ability to advance local economic development goals, improve accessibility, create partnerships that result in the integration of transportation and land-use decision making and result in environmental benefits.

**II. Award Information**

Federal transit funds are available to State or local governmental authorities as recipients and other public transportation providers as subrecipients for up to 80% of the net project capital cost, not to exceed \$24.99 million in Section 5309 funds. Rail transit projects selected under the program would be subject to State Safety Oversight, consistent with 49 CFR part 659.

**III. Eligibility Information**

**A. Eligible Applicants**

Eligible applications under this program are public bodies and agencies (transit authorities and other State and

local public bodies and agencies thereof) including States, municipalities, other political subdivisions of States; public agencies and instrumentalities of one or more States; and certain public corporations, boards, and commissions established under State law, who are authorized to engage in public transportation.

**B. Eligible Projects**

To be eligible for funding under Section 5309(a), a project must be based on the results of an alternative analysis and preliminary engineering. In addition, a project must meet one of the following guideway criteria:

- 1. Be a fixed guideway for at least 50% of the project length in the peak period—AND/OR—
- 2. Be a corridor-based bus project with the following minimum elements:
  - a. Substantial Transit Stations
  - b. Signal Priority/Pre-emption (for Bus/LRT)
  - c. Low Floor/Level Boarding Vehicles
  - d. Special Branding of Service
  - e. Frequent Service—10 min peak/15 min off peak
  - f. Service offered at least 14 hours per day

**C. Eligible Expenses**

Section 5309 grants authority to the Secretary to make grants "to assist State and local governmental authorities in financing new fixed guideway capital projects, including the acquisition of real property, the initial acquisition of rolling stock for the systems, the acquisition of rights-of-way, and relocation." Section 5309 also allows the Secretary to make grants "for fixed guideway corridor development for projects in the advanced stages of alternatives analysis or preliminary engineering." Due to the limited amount of funds, FTA is limiting awards under this program to the activities mentioned in the first sentence and not the second. Section 5309 funds cannot be used to reimburse grantees that have incurred prior expenses for the project absent evidence that FTA had issued a Letter of No Prejudice (LONP) for the project prior to the costs being incurred. There is no blanket pre-award authority for projects to be funded under this announcement prior to the identification in the Federal Register of selected projects.

**D. Cost Sharing**

FTA will provide up to 80% of the net project capital cost; however the amount of Section 5309(a) funds must be less than \$25 million for each urban circulator project selected. Other Federal funds that are eligible to be



expended for transportation capital projects can be applied to the project. FTA will not approve deferred local share under this program.

**IV. Application and Submission Information**

**A. Proposal Submission Process**

Proposals may also be submitted to FTA electronically at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov) or through the GRANTS.GOV APPLY function. The Office of Management and Budget (OMB) requires all Federal agencies to make applications for competitive grant programs available through GRANTS.GOV. A synopsis of this announcement will be posted in the FIND module of the government-wide electronic grants Web site at <http://www.grants.gov> and applicants will be able to apply through the APPLY module of that site. Those who apply via e-mail at [UrbanCirculator@dot.gov](mailto:UrbanCirculator@dot.gov) should receive a confirmation e-mail within 2 business days.

**B. Application Content**

**1. Applicant Information**

This addresses basic identifying information, including: (i) Applicant name and FTA recipient ID number; (ii) contact information (including contact name, title, address, e-mail, fax and phone number); (iii) description of services provided by the agency, including areas served; and (iv) a description of the agency's technical, legal and financial capacity to implement the proposed project. For applicants applying through GRANTS.GOV, some of this information is included in the Standard Form 424.

**2. Project Information**

Every proposal must:

a. Describe the scope of the project for which funding is requested and provide a detailed operating plan for the urban circulator for which assistance is being sought, including the length of the project, number of vehicles, number of stations/stops, frequency of service, hours of operation, location of maintenance facilities, park and ride lots, and intermodal connections and transfer centers and a brief discussion of the problem the project seeks to solve.

b. Provide a preliminary management plan and a feasible and sufficiently detailed project schedule.

c. Address each of the evaluation criteria separately, providing evidence that demonstrates how the project responds to each criterion, for example, coordinated land use plans, economic development incentives, existing and projected transit ridership that will

result from the project and status of environmental compliance activities.

d. Provide a line item budget for the project, including the Federal amount requested from FTA and the total cost for each purpose for which funds are sought, and the total Federal amount requested from FTA and total project cost. Other Federal funds can be applied to the project.

e. Document the matching funds, including amount and source of the match, demonstrating strong local and private sector financial participation in the project. Provide support documentation including audited financial statements, bond-ratings, and documents demonstrating the commitment of non-Federal funding to the project, or a timeframe upon which those commitments would be made.

f. The Proposal may include additional supplemental information, for example, architectural drawings, letters of support, maps.

**C. Submission Dates and Times**

Complete proposals for the Urban Circulator Program may be submitted electronically through the GRANTS.GOV Web site or by e-mail electronically at [UrbanCirculators@dot.gov](mailto:UrbanCirculators@dot.gov) February 8, 2010. Submission by one of the electronic methods above is required. Mail and fax submissions will not be accepted except for supplemental information that cannot be sent electronically. The total application may not exceed 25 pages. In addition, a synopsis of this announcement will also be posted in the FIND module of the government-wide electronic grants Web site at <http://www.grants.gov> and applicants will be able to apply through the APPLY module of that site.

**D. Funding Restrictions**

Only proposals from eligible recipients for eligible activities will be considered for funding (see Section III). Due to funding limitations, applicants that are selected for funding may receive less than the amount requested.

**E. Other Submission Requirements**

Applicants should submit 3 copies of any supplemental information that cannot be submitted electronically to the appropriate FTA regional office. Supplemental information submitted in hardcopy must be postmarked or delivered by alternate delivery services by February 8, 2010.

**V. Application Review Information**

**A. Project Evaluation Criteria**

Projects will be evaluated according to the following criteria. Applicants are

encouraged to demonstrate the responsiveness of a project to any and all of the selection criteria with the most relevant information that applicants can provide, regardless of whether such information has been specifically requested, or identified, in this notice. FTA will assess the extent to which a project produces one or more of the following outcomes.

(1.) *Livability*: Livability investments are projects that not only deliver transportation benefits, but are also designed and planned in such a way that they have a positive impact on qualitative measures of community life. This element delivers benefits that are inherently difficult to measure.

However, it is implicit to livability that its benefits are shared and therefore magnified by the number of potential users in the affected community.

Therefore, descriptions of how projects enhance livability should include a description of the affected community and the scale of the project's impact, including existing transit ridership and projected transit ridership that will result from the project. In order to determine whether a project improves the quality of the living and working environment of a community, FTA will qualitatively assess whether the project:

(a) Will significantly enhance accessibility through the creation of more convenient transportation options for travelers;

(b) Will improve existing transportation choices by enhancing points of modal connectivity;

(c) Will improve accessibility and transport services for economically disadvantaged populations, non-drivers, senior citizens, and persons with disabilities;

(d) Is the result of a planning process which coordinated transportation and land-use planning decisions and encouraged community participation in the process.

FTA will also assess whether there is existing or planned mixed income housing, including low income housing, within walking distance of the project. In addition, particular attention will be paid to the degree to which the proposed project contributes significantly to broader traveler accessibility through intermodal connections or improved connections between residential and commercial areas. Consequently the application should clearly identify how the project will connect redeveloping or new neighborhoods on vacant or underutilized land to each other or to major attractors in the central city or how circulator or connector lines under the project will connect developed



neighborhoods with one another or with the business district in the central city. Applications should also note proposed strategies to deliver high quality pedestrian environments in the corridor.

(2) *Sustainability*: In order to determine whether a project promotes a more environmentally sustainable transportation system, *i.e.*, reducing reliance on automobile travel, improving the pedestrian and walk environment of a community and using environmental design techniques in the planning, construction, and operation of the project, FTA will assess the project's ability to:

(a) Improve energy efficiency or reduce energy consumption/green house gas emissions; applicants are encouraged to provide information regarding the expected use of clean or alternative sources of energy; projects which introduce new technology through innovative and improved products such as those which involve energy saving propulsion technologies within the eligible major capital investment criteria or that demonstrate a projected decrease in the movement of people by less energy-efficient vehicles or systems will be given priority under this factor; and

(b) Maintain, protect or enhance the environment, as evidenced by environmentally friendly policies and practices utilized in the project design, construction, and operation that exceed the requirements of the National Environmental Policy Act including items such as whether the project uses a Leadership in Energy and Environmental Design (LEED)-certified design, the vehicles or facilities are rated with the energy-star, the project uses a brownfield, construction equipment is retrofitted with catalytic converters, the project utilizes recycled materials, the project includes elements to conserve energy, such as passive solar heating, solar panels, wind turbines, reflective roofing or paving materials, or other advanced environmental design elements such as a green roof, *etc.*

(3) *Economic Development*: FTA will assess whether the project will foster redevelopment adjacent to the project for which assistance is being sought. In addition, FTA will assess whether existing plans, policies, and incentives promote economic development and transit supportive development that provides jobs and services within the community, and whether there is demonstrated progress towards achieving mixed use development, at those locations specifically served by the proposed project.

(4) *Leveraging of public and private investments*.

(a) *Jurisdictional & Stakeholder*

*Collaboration*: To measure a project's alignment with this criterion, FTA will assess the project's involvement of non-Federal entities and the use of non-Federal funds, including the scope of involvement and share of total funding. FTA will give priority to projects that receive financial commitments from, or otherwise involve, State and local governments, other public entities, or private or nonprofit entities, including projects that engage parties that are not traditionally involved in transportation projects, such as nonprofit community groups or the private owners of real property abutting the project. FTA will assess the amount of private debt and equity to be invested in the project or the amount of co-investment from State, local or other non-profit sources.

(b) *Disciplinary Integration*: Livability incorporates the concept of collaborative decision-making. To promote collaboration on the objectives outlined in this notice and to demonstrate the value of partnerships across government agencies that serve the various public service missions FTA will give priority to projects that are supported, financially or otherwise, by non-transportation public agencies that are pursuing similar objectives and are aligning their community development activities to increase the efficiency of Federal investments. FTA will give priority to transportation projects that are supported by relevant public housing agencies, or transportation projects that encourage energy efficiency or improve the environment and are supported by relevant public agencies with energy or environmental missions.

(5) *The applicant must demonstrate the ability to carry out the proposed project successfully*. Applicants must have basic technical, legal, and financial capacity as a precondition of grant award as evidenced by:

(a) *Project Schedule*: A feasible and sufficiently detailed project schedule demonstrating that the project can begin construction within eighteen months of receipt of a Discretionary Grant and that the Grant Funds will be spent steadily and expeditiously once construction starts.

(b) *Environmental Approvals*: Receipt (or reasonably anticipated receipt) of all environmental approvals necessary for the project to proceed to construction on the timeline specified in the project schedule, including satisfaction of all Federal, State and local requirements and completion of the National Environmental Policy Act process. Applicants must consult with their FTA regional office to determine the

feasibility of a reasonably anticipated receipt of an environmental decision on the proposed project.

(c) *Legislative Approval*: Receipt of all necessary legislative approvals. The project application must demonstrate: (1) That development or redevelopment agreements are in place with respect to the project; (2) land use policies complementary to the project have been adopted for land in close proximity to the project; and (3) property zoned to accommodate mixed-use development is available adjacent to the project.

(d) *State and Local Planning*: The inclusion of the project in the relevant State, metropolitan, and local planning documents. All regionally significant projects requiring an action by FTA must be in the metropolitan transportation plan, Transportation Improvement Program (TIP) and Statewide Transportation Improvement Program (STIP). To the extent a project is required to be in a metropolitan transportation plan, TIP and/or STIP it will not receive an Urban Circulator Discretionary Grant until it is included in such plans.

(e) *Technical Feasibility*: The technical feasibility of the project, including completion of sufficient engineering and design.

(f) *Financial Feasibility*: The viability and completeness of the project's financing package, including evidence of stable and reliable financial commitments and contingency reserves, as appropriate, and evidence of the grant recipient's ability to manage grants.

*B. Review and Selection Process*

Proposals will be screened and ranked based on the criteria in this notice by FTA headquarters staff in consultation with the appropriate FTA regional office (see Appendix), and coordinated with representatives of HUD and EPA. Highly qualified projects will be considered for inclusion in a national list of projects that addresses the identified priorities and represents the highest and best use of the available funding. The FTA Administrator will determine the final selection and amount of funding for each project. Selected projects will be announced in early 2010. FTA will publish the list of all selected projects and funding levels in the **Federal Register**.

**VI. Award Administration**

*A. Award Notices*

FTA will announce project selections in a **Federal Register** Notice and FTA regional offices will contact successful applicants. FTA will award grants for



the selected projects to the applicant through the FTA electronic grants management and award system, TEAM, after receipt of a complete application in TEAM. These grants will be administered and managed by the FTA regional offices in accordance with the Federal requirements of the Section 5309 bus program. At the time the project selections are announced, FTA will extend pre-award authority for the selected projects. There is no blanket pre-award authority for these projects prior to announcement.

**B. Administrative and National Policy Requirements**

**1. Grant Requirements**

If selected, applicants will apply for a grant through TEAM and adhere to the customary FTA grant requirements of the Section 5309 Major Capital Investment program, including those of FTA C 9300.1A; C 5010.1C; and labor protections required under 49 U.S.C. 5333(b). Discretionary grants greater than \$500,000 will go through Congressional Notification and release process. Technical assistance regarding these requirements is available from each FTA regional office.

**2. Planning**

Applicants are encouraged to notify the appropriate State DOT and

Metropolitan Planning Organizations (MPOs) in areas likely to be served by the project funds made available under this program. Before grant award, the project must satisfy requirements for inclusion in the STIP and Metropolitan TIP, where applicable.

**3. Standard Assurances**

FTA annually issues a set of standard Certifications and Assurances which each FTA grantee must sign, assuring that it will comply with all applicable Federal statutes, regulations, executive orders, FTA circulars, and other Federal administrative requirements in carrying out any project supported by the FTA grant. The Applicant acknowledges that it is under a continuing obligation to comply with the terms and conditions of the grant agreement issued for its project with FTA. The Applicant understands that Federal laws, regulations, policies, and administrative practices might be modified from time to time and affect the implementation of the project. The Applicant agrees that the most recent Federal requirements will apply to the project, unless FTA issues a written determination otherwise. The Applicant must submit all relevant current Certifications and Assurances prior to receiving a grant under this announcement.

**C. Reporting**

Post-award reporting requirements include submission of Financial Status Reports, Milestone reports, and narrative progress reports in TEAM on a quarterly basis. Documentation is required for payment. Recipients of exempt discretionary grants for urban circulators shall submit information that describes the impact of the urban circulator on transit ridership and economic development after two years of operation. In addition, grants which include innovative technologies may be required to report on the performance of these technologies.

**VII. Agency Contacts**

Contact the appropriate FTA Regional Administrator (see Appendix) for proposal-specific information and issues. For general program information, contact Elizabeth Day, (202) 366-5159, e-mail: [Elizabeth.Day@dot.gov](mailto:Elizabeth.Day@dot.gov) in the FTA Office of Planning and Environment, Office of Project Planning. A TDD is available at 1-800-877-8339 (TDD/PIRS).

Issued in Washington, DC, this 3rd day of December 2009.

**Peter M. Rogoff,**  
Administrator.

**APPENDIX A—FTA REGIONAL AND METROPOLITAN OFFICES**

<p>Richard H. Doyle Regional Administrator Region 1—Boston Kendall Square 55 Broadway, Suite 920 Cambridge, MA 02142-1093 Tel. 617 494-2055 States served: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.</p>	<p>Robert C. Patrick Regional Administrator Region 6—Ft. Worth 819 Taylor Street, Room 8A36 Ft. Worth, TX 76102 Tel. 817 978-0550 States served: Arkansas, Louisiana, Oklahoma, New Mexico and Texas.</p>
<p>Brigid Hynes-Cherin Regional Administrator Region 2—New York One Bowling Green, Room 429 New York, NY 10004-1415 Tel. No. 212 668-2170 States served: New Jersey, New York.</p>	<p>Mokhtee Ahmad Regional Administrator Region 7—Kansas City, MO 901 Locust Street, Room 404 Kansas City, MO 64106 Tel. 816 329-3920 States served: Iowa, Kansas, Missouri, and Nebraska.</p>
<p>Letitia Thompson Regional Administrator Region 3—Philadelphia 1760 Market Street, Suite 500 Philadelphia, PA 19103-4124 Tel. 215 656-7100 States served: Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and District of Columbia.</p>	<p>Terry Rosapep Regional Administrator Region 8—Denver 12300 West Dakota Ave., Suite 310 Lakewood, CO 80228-2583 Tel. 720-963-3300 States served: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming.</p>
<p>Yvette Taylor Regional Administrator Region 4—Atlanta 230 Peachtree Street, NW., Suite 800 Atlanta, GA 30303 Tel. 404 562-3500</p>	<p>Leslie T. Rogers Regional Administrator Region 9—San Francisco 201 Mission Street, Suite 1650 San Francisco, CA 94105-1926 Tel. 415 744-3133</p>



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APPENDIX A—FTA REGIONAL AND METROPOLITAN OFFICES—Continued

<p>States served: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and Virgin Islands.</p> <p>Marisol Simon Regional Administrator Region 5—Chicago 200 West Adams Street, Suite 320 Chicago, IL 60606 Tel. 312 353-2799</p> <p>States served: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin.</p> <p>New York Metropolitan Office Region 2—New York One Bowling Green, Room 428 New York, NY 10004-1415 Tel. 212-668-2202</p> <p>Philadelphia Metropolitan Office Region 3—Philadelphia 1760 Market Street, Suite 500 Philadelphia, PA 19103-4124 Tel. 215-656-7070</p>	<p>States served: American Samoa, Arizona, California, Guam, Hawaii, Nevada, and the Northern Mariana Islands.</p> <p>Rick Krochalis Regional Administrator Region 10—Seattle Jackson Federal Building 915 Second Avenue, Suite 3142 Seattle, WA 98174-1002 Tel. 206 220-7954</p> <p>States served: Alaska, Idaho, Oregon, and Washington.</p> <p>Chicago Metropolitan Office Region 5—Chicago 200 West Adams Street, Suite 320 Chicago, IL 60606 Tel. 312-353-2789</p> <p>Los Angeles Metropolitan Office Region 9—Los Angeles 888 S. Figueroa Street, Suite 1850 Los Angeles, CA 90017-1850 Tel. 213-202-3952</p>
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# Appendix B

## UPDATED LOCAL FUNDING SCENARIOS (ADDING IN FEDERAL GRANTS AT 50%)

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Following 3 Scenarios:

- A: 50% of Parking Revenue Increase and Special Benefit District, but No Tax Abatement
- B: 50% of Parking Revenue Increase and Tax Abatement, but No Special Benefit District
- C: 50% of Parking Revenue Increase Only: No Tax Abatement or Special District

are presented for each of these 8 lines:

“Short line” segments:

1. Nicollet
2. Hennepin
3. Central and University
4. Chicago
5. Washington

“More extended lines”

6. Hennepin to Central/University
7. Midtown Greenway – Ballasted
8. Midtown Greenway – Embedded

**[Note:** The basic “Parking Revenue Increase” tool and the specific modeling assumptions used to calculate its yield are described at pages 7 and 8 of the draft Final Report. Similarly the “Special Benefit District” is described at pages 12 and 13 of the same Report; and the “Tax Abatement” tool at pages 11 and 12. ] They can be summarized as below (applicable to all tables that follow):

- Only 50% of 25% increase in parking revenue assumed dedicated to streetcar (shown); remaining 50% assumed used for other purposes. A higher percentage could be used to offset funding gaps in early years
- Only city share of property taxes is assumed abated for streetcar; 50% of potential new development assumed in TIF districts which are not included in tax abatement; applied only to ten years of future development and to increases in value due to streetcar presence
- Assumes low of 2.5 cents and high of 5 cents per \$100 EMV applied to all properties except residentially zoned properties with fewer than four units; applied to properties within ¼ mile of each side of streetcar corridor or station.



*Nicollet Line- Scenario A*

With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,052,869	\$5,052,869	\$5,052,869	\$5,052,869
<b>Total Costs</b>	<b>\$7,161,289</b>	<b>\$7,161,289</b>	<b>\$7,497,160</b>	<b>\$7,497,160</b>
(less impact of Federal Funding)	(\$2,526,435)	(\$2,526,435)	(\$2,526,435)	(\$2,526,435)
<b>Net Local Area Annual Costs</b>	<b>\$4,634,854</b>	<b>\$4,634,854</b>	<b>\$4,970,725</b>	<b>\$4,970,725</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
<u>Operational revenues</u>	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$3,004,668</u>	<u>\$3,004,668</u>	<u>\$3,483,234</u>	<u>\$3,483,234</u>
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
<u>Owners: Potential Benefit District Revenues</u>	<u>\$1,393,179</u>	<u>\$2,786,358</u>	<u>\$1,880,864</u>	<u>\$3,761,728</u>
<b>Subtotal</b>	<b>\$4,764,110</b>	<b>\$7,318,131</b>	<b>\$5,788,707</b>	<b>\$9,015,335</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$416,129	\$266,129	\$401,934	\$228,043
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$716,129</b>	<b>\$716,129</b>	<b>\$749,716</b>	<b>\$749,716</b>
<b>Total Sources</b>	<b>\$5,480,239</b>	<b>\$8,034,260</b>	<b>\$6,538,423</b>	<b>\$9,765,050</b>
<b>(Gap)/Surplus</b>	<b>\$845,385</b>	<b>\$3,399,406</b>	<b>\$1,567,697</b>	<b>\$4,794,325</b>



*Nicollet Line- Scenario B*

<b>With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement</b>				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,052,869	\$5,052,869	\$5,052,869	\$5,052,869
<b>Total Costs</b>	<b>\$7,161,289</b>	<b>\$7,161,289</b>	<b>\$7,497,160</b>	<b>\$7,497,160</b>
(less impact of Federal Funding)	(\$2,526,435)	(\$2,526,435)	(\$2,526,435)	(\$2,526,435)
<b>Net Local Area Annual Costs</b>	<b>\$4,634,854</b>	<b>\$4,634,854</b>	<b>\$4,970,725</b>	<b>\$4,970,725</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$4,528,072</u>	<u>\$4,528,072</u>	<u>\$9,724,644</u>	<u>\$9,724,644</u>
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$1,523,404	\$1,523,404	\$6,241,410	\$6,241,410
<u>Owners: Potential Benefit District Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal</b>	<b>\$4,894,335</b>	<b>\$6,055,177</b>	<b>\$10,149,253</b>	<b>\$11,495,017</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$416,129	\$266,129	\$401,934	\$228,043
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$716,129</b>	<b>\$716,129</b>	<b>\$749,716</b>	<b>\$749,716</b>
<b>Total Sources</b>	<b>\$5,610,464</b>	<b>\$6,771,306</b>	<b>\$10,898,969</b>	<b>\$12,244,733</b>
<b>(Gap)/Surplus</b>	<b>\$975,610</b>	<b>\$2,136,452</b>	<b>\$5,928,243</b>	<b>\$7,274,007</b>



*Nicollet Line- Scenario C*

With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,052,869	\$5,052,869	\$5,052,869	\$5,052,869
<b>Total Costs</b>	<b>\$7,161,289</b>	<b>\$7,161,289</b>	<b>\$7,497,160</b>	<b>\$7,497,160</b>
(less impact of Federal Funding)	(\$2,526,435)	(\$2,526,435)	(\$2,526,435)	(\$2,526,435)
<b>Net Local Area Annual Costs</b>	<b>\$4,634,854</b>	<b>\$4,634,854</b>	<b>\$4,970,725</b>	<b>\$4,970,725</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$3,370,931</b>	<b>\$4,531,773</b>	<b>\$3,907,843</b>	<b>\$5,253,607</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$416,129	\$266,129	\$401,934	\$228,043
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$716,129</b>	<b>\$716,129</b>	<b>\$749,716</b>	<b>\$749,716</b>
<b>Total Sources</b>	<b>\$4,087,060</b>	<b>\$5,247,902</b>	<b>\$4,657,559</b>	<b>\$6,003,323</b>
<b>(Gap)/Surplus</b>	<b>(\$547,794)</b>	<b>\$613,048</b>	<b>(\$313,167)</b>	<b>\$1,032,597</b>



*Hennepin Avenue- Scenario A*

<b>With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District</b>				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,744,336	\$4,744,336	\$4,744,336	\$4,744,336
<b>Total Costs</b>	<b>\$6,852,755</b>	<b>\$6,852,755</b>	<b>\$7,188,626</b>	<b>\$7,188,626</b>
(less impact of Federal Funding)	(\$2,372,168)	(\$2,372,168)	(\$2,372,168)	(\$2,372,168)
<b>Net Local Area Annual Costs</b>	<b>\$4,480,587</b>	<b>\$4,480,587</b>	<b>\$4,816,459</b>	<b>\$4,816,459</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$958,785	\$1,917,570	\$1,324,599	\$2,649,199
<b>Subtotal</b>	<b>\$4,329,717</b>	<b>\$6,449,344</b>	<b>\$5,232,442</b>	<b>\$7,902,806</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$385,276	\$235,276	\$371,080	\$197,189
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$685,276</b>	<b>\$685,276</b>	<b>\$718,863</b>	<b>\$718,863</b>
<b>Total Sources</b>	<b>\$5,014,992</b>	<b>\$7,134,619</b>	<b>\$5,951,305</b>	<b>\$8,621,668</b>
<b>(Gap)/Surplus</b>	<b>\$534,405</b>	<b>\$2,654,032</b>	<b>\$1,134,846</b>	<b>\$3,805,210</b>



*Hennepin Avenue- Scenario B*

<b>With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement</b>				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,744,336	\$4,744,336	\$4,744,336	\$4,744,336
<b>Total Costs</b>	<b>\$6,852,755</b>	<b>\$6,852,755</b>	<b>\$7,188,626</b>	<b>\$7,188,626</b>
(less impact of Federal Funding)	(\$2,372,168)	(\$2,372,168)	(\$2,372,168)	(\$2,372,168)
<b>Net Local Area Annual Costs</b>	<b>\$4,480,587</b>	<b>\$4,480,587</b>	<b>\$4,816,459</b>	<b>\$4,816,459</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$4,156,875	\$4,156,875	\$8,248,294	\$8,248,294
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$1,152,206	\$1,152,206	\$4,765,060	\$4,765,060
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$4,523,138</b>	<b>\$5,683,980</b>	<b>\$8,672,903</b>	<b>\$10,018,667</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$385,276	\$235,276	\$371,080	\$197,189
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$685,276</b>	<b>\$685,276</b>	<b>\$718,863</b>	<b>\$718,863</b>
<b>Total Sources</b>	<b>\$5,208,413</b>	<b>\$6,369,255</b>	<b>\$9,391,765</b>	<b>\$10,737,529</b>
<b>(Gap)/Surplus</b>	<b>\$727,826</b>	<b>\$1,888,668</b>	<b>\$4,575,307</b>	<b>\$5,921,071</b>



*Hennepin Avenue- Scenario C*

With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,744,336	\$4,744,336	\$4,744,336	\$4,744,336
<b>Total Costs</b>	<b>\$6,852,755</b>	<b>\$6,852,755</b>	<b>\$7,188,626</b>	<b>\$7,188,626</b>
(less impact of Federal Funding)	(\$2,372,168)	(\$2,372,168)	(\$2,372,168)	(\$2,372,168)
<b>Net Local Area Annual Costs</b>	<b>\$4,480,587</b>	<b>\$4,480,587</b>	<b>\$4,816,459</b>	<b>\$4,816,459</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$3,370,931</b>	<b>\$4,531,773</b>	<b>\$3,907,843</b>	<b>\$5,253,607</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$385,276	\$235,276	\$371,080	\$197,189
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$685,276</b>	<b>\$685,276</b>	<b>\$718,863</b>	<b>\$718,863</b>
<b>Total Sources</b>	<b>\$4,056,207</b>	<b>\$5,217,049</b>	<b>\$4,626,705</b>	<b>\$5,972,469</b>
<b>(Gap)/Surplus</b>	<b>(\$424,381)</b>	<b>\$736,461</b>	<b>(\$189,753)</b>	<b>\$1,156,011</b>



*University and Central – Scenario A*

With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,511,671	\$4,511,671	\$4,511,671	\$4,511,671
<b>Total Costs</b>	<b>\$6,620,090</b>	<b>\$6,620,090</b>	<b>\$6,955,962</b>	<b>\$6,955,962</b>
(less impact of Federal Funding)	(\$2,255,835)	(\$2,255,835)	(\$2,255,835)	(\$2,255,835)
<b>Net Local Area Annual Costs</b>	<b>\$4,364,255</b>	<b>\$4,364,255</b>	<b>\$4,700,126</b>	<b>\$4,700,126</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
<u>Operational revenues</u>	<u>\$366,263</u>	<u>\$1,527,105</u>	<u>\$424,609</u>	<u>\$1,770,373</u>
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$3,004,668</u>	<u>\$3,004,668</u>	<u>\$3,483,234</u>	<u>\$3,483,234</u>
<u>Parking:</u>				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
<u>Owners: Potential Benefit District Revenues</u>	<u>\$860,119</u>	<u>\$1,720,239</u>	<u>\$1,202,483</u>	<u>\$2,404,966</u>
<b>Subtotal</b>	<b>\$4,231,051</b>	<b>\$6,252,012</b>	<b>\$5,110,326</b>	<b>\$7,658,573</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$362,009	\$212,009	\$347,814	\$173,923
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$662,009</b>	<b>\$662,009</b>	<b>\$695,596</b>	<b>\$695,596</b>
<b>Total Sources</b>	<b>\$4,893,060</b>	<b>\$6,914,021</b>	<b>\$5,805,922</b>	<b>\$8,354,169</b>
<b>(Gap)/Surplus</b>	<b>\$528,805</b>	<b>\$2,549,766</b>	<b>\$1,105,796</b>	<b>\$3,654,043</b>



*University and Central – Scenario B*

With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,511,671	\$4,511,671	\$4,511,671	\$4,511,671
<b>Total Costs</b>	<b>\$6,620,090</b>	<b>\$6,620,090</b>	<b>\$6,955,962</b>	<b>\$6,955,962</b>
(less impact of Federal Funding)	(\$2,255,835)	(\$2,255,835)	(\$2,255,835)	(\$2,255,835)
<b>Net Local Area Annual Costs</b>	<b>\$4,364,255</b>	<b>\$4,364,255</b>	<b>\$4,700,126</b>	<b>\$4,700,126</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$4,113,084</u>	<u>\$4,113,084</u>	<u>\$8,079,163</u>	<u>\$8,079,163</u>
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$1,108,416	\$1,108,416	\$4,595,929	\$4,595,929
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$4,479,347</b>	<b>\$5,640,189</b>	<b>\$8,503,772</b>	<b>\$9,849,536</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$362,009	\$212,009	\$347,814	\$173,923
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$662,009</b>	<b>\$662,009</b>	<b>\$695,596</b>	<b>\$695,596</b>
<b>Total Sources</b>	<b>\$5,141,356</b>	<b>\$6,302,198</b>	<b>\$9,199,368</b>	<b>\$10,545,132</b>
<b>(Gap)/Surplus</b>	<b>\$777,101</b>	<b>\$1,937,943</b>	<b>\$4,499,242</b>	<b>\$5,845,006</b>



*University and Central – Scenario C*

With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,511,671	\$4,511,671	\$4,511,671	\$4,511,671
<b>Total Costs</b>	<b>\$6,620,090</b>	<b>\$6,620,090</b>	<b>\$6,955,962</b>	<b>\$6,955,962</b>
(less impact of Federal Funding)	(\$2,255,835)	(\$2,255,835)	(\$2,255,835)	(\$2,255,835)
<b>Net Local Area Annual Costs</b>	<b>\$4,364,255</b>	<b>\$4,364,255</b>	<b>\$4,700,126</b>	<b>\$4,700,126</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$3,370,931</b>	<b>\$4,531,773</b>	<b>\$3,907,843</b>	<b>\$5,253,607</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$362,009	\$212,009	\$347,814	\$173,923
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$662,009</b>	<b>\$662,009</b>	<b>\$695,596</b>	<b>\$695,596</b>
<b>Total Sources</b>	<b>\$4,032,940</b>	<b>\$5,193,782</b>	<b>\$4,603,439</b>	<b>\$5,949,203</b>
<b>(Gap)/Surplus</b>	<b>(\$331,315)</b>	<b>\$829,527</b>	<b>(\$96,687)</b>	<b>\$1,249,077</b>



*Chicago Line – Scenario A*

With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,260,244	\$5,260,244	\$5,260,244	\$5,260,244
<b>Total Costs</b>	<b>\$7,368,664</b>	<b>\$7,368,664</b>	<b>\$7,704,535</b>	<b>\$7,704,535</b>
(less impact of Federal Funding)	(\$2,630,122)	(\$2,630,122)	(\$2,630,122)	(\$2,630,122)
<b>Net Local Area Annual Costs</b>	<b>\$4,738,542</b>	<b>\$4,738,542</b>	<b>\$5,074,413</b>	<b>\$5,074,413</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$1,358,127	\$2,716,255	\$1,849,478	\$3,698,957
<b>Subtotal</b>	<b>\$4,729,059</b>	<b>\$7,248,028</b>	<b>\$5,757,321</b>	<b>\$8,952,564</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$436,866	\$286,866	\$422,671	\$248,780
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$736,866</b>	<b>\$736,866</b>	<b>\$770,453</b>	<b>\$770,453</b>
<b>Total Sources</b>	<b>\$5,465,925</b>	<b>\$7,984,894</b>	<b>\$6,527,775</b>	<b>\$9,723,017</b>
<b>(Gap)/Surplus</b>	<b>\$727,383</b>	<b>\$3,246,353</b>	<b>\$1,453,362</b>	<b>\$4,648,604</b>



*Chicago Line – Scenario B*

With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,260,244	\$5,260,244	\$5,260,244	\$5,260,244
<b>Total Costs</b>	<b>\$7,368,664</b>	<b>\$7,368,664</b>	<b>\$7,704,535</b>	<b>\$7,704,535</b>
(less impact of Federal Funding)	(\$2,630,122)	(\$2,630,122)	(\$2,630,122)	(\$2,630,122)
<b>Net Local Area Annual Costs</b>	<b>\$4,738,542</b>	<b>\$4,738,542</b>	<b>\$5,074,413</b>	<b>\$5,074,413</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$4,547,249	\$4,547,249	\$9,826,046	\$9,826,046
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$1,542,580	\$1,542,580	\$6,342,811	\$6,342,811
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$4,913,512</b>	<b>\$6,074,354</b>	<b>\$10,250,654</b>	<b>\$11,596,418</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$436,866	\$286,866	\$422,671	\$248,780
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$736,866</b>	<b>\$736,866</b>	<b>\$770,453</b>	<b>\$770,453</b>
<b>Total Sources</b>	<b>\$5,650,378</b>	<b>\$6,811,220</b>	<b>\$11,021,108</b>	<b>\$12,366,872</b>
<b>(Gap)/Surplus</b>	<b>\$911,837</b>	<b>\$2,072,678</b>	<b>\$5,946,695</b>	<b>\$7,292,459</b>



*Chicago Line – Scenario C*

With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$5,260,244	\$5,260,244	\$5,260,244	\$5,260,244
<b>Total Costs</b>	<b>\$7,368,664</b>	<b>\$7,368,664</b>	<b>\$7,704,535</b>	<b>\$7,704,535</b>
(less impact of Federal Funding)	(\$2,630,122)	(\$2,630,122)	(\$2,630,122)	(\$2,630,122)
<b>Net Local Area Annual Costs</b>	<b>\$4,738,542</b>	<b>\$4,738,542</b>	<b>\$5,074,413</b>	<b>\$5,074,413</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$3,370,931</b>	<b>\$4,531,773</b>	<b>\$3,907,843</b>	<b>\$5,253,607</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$436,866	\$286,866	\$422,671	\$248,780
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$736,866</b>	<b>\$736,866</b>	<b>\$770,453</b>	<b>\$770,453</b>
<b>Total Sources</b>	<b>\$4,107,798</b>	<b>\$5,268,640</b>	<b>\$4,678,296</b>	<b>\$6,024,060</b>
<b>(Gap)/Surplus</b>	<b>(\$630,744)</b>	<b>\$530,098</b>	<b>(\$396,117)</b>	<b>\$949,647</b>



*Washington Avenue – Scenario A*

With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,370,049	\$4,370,049	\$4,370,049	\$4,370,049
<b>Total Costs</b>	<b>\$6,478,469</b>	<b>\$6,478,469</b>	<b>\$6,814,340</b>	<b>\$6,814,340</b>
(less impact of Federal Funding)	(\$2,185,025)	(\$2,185,025)	(\$2,185,025)	(\$2,185,025)
<b>Net Local Area Annual Costs</b>	<b>\$4,293,444</b>	<b>\$4,293,444</b>	<b>\$4,629,315</b>	<b>\$4,629,315</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$1,069,691	\$2,139,382	\$1,412,750	\$2,825,500
<b>Subtotal</b>	<b>\$4,440,622</b>	<b>\$6,671,155</b>	<b>\$5,320,593</b>	<b>\$8,079,107</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$347,847	\$197,847	\$333,652	\$159,761
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$647,847</b>	<b>\$647,847</b>	<b>\$681,434</b>	<b>\$681,434</b>
<b>Total Sources</b>	<b>\$5,088,469</b>	<b>\$7,319,002</b>	<b>\$6,002,027</b>	<b>\$8,760,541</b>
<b>(Gap)/Surplus</b>	<b>\$795,025</b>	<b>\$3,025,558</b>	<b>\$1,372,711</b>	<b>\$4,131,226</b>



*Washington Avenue – Scenario B*

With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,370,049	\$4,370,049	\$4,370,049	\$4,370,049
<b>Total Costs</b>	<b>\$6,478,469</b>	<b>\$6,478,469</b>	<b>\$6,814,340</b>	<b>\$6,814,340</b>
(less impact of Federal Funding)	(\$2,185,025)	(\$2,185,025)	(\$2,185,025)	(\$2,185,025)
<b>Net Local Area Annual Costs</b>	<b>\$4,293,444</b>	<b>\$4,293,444</b>	<b>\$4,629,315</b>	<b>\$4,629,315</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$4,087,673	\$4,087,673	\$7,869,158	\$7,869,158
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$1,083,004	\$1,083,004	\$4,385,924	\$4,385,924
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$4,453,935</b>	<b>\$5,614,777</b>	<b>\$8,293,767</b>	<b>\$9,639,531</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$347,847	\$197,847	\$333,652	\$159,761
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$647,847</b>	<b>\$647,847</b>	<b>\$681,434</b>	<b>\$681,434</b>
<b>Total Sources</b>	<b>\$5,101,782</b>	<b>\$6,262,624</b>	<b>\$8,975,201</b>	<b>\$10,320,965</b>
<b>(Gap)/Surplus</b>	<b>\$808,338</b>	<b>\$1,969,180</b>	<b>\$4,345,886</b>	<b>\$5,691,650</b>



*Washington Avenue – Scenario C*

<b>With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)</b>				
<b>Item</b>	<b>Start of Operations</b>		<b>5 Years after Start</b>	
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>Maximum Line Costs:</b>				
Operations	\$2,108,420	\$2,108,420	\$2,444,291	\$2,444,291
Debt Service	\$4,370,049	\$4,370,049	\$4,370,049	\$4,370,049
<b>Total Costs</b>	<b>\$6,478,469</b>	<b>\$6,478,469</b>	<b>\$6,814,340</b>	<b>\$6,814,340</b>
(less impact of Federal Funding)	(\$2,185,025)	(\$2,185,025)	(\$2,185,025)	(\$2,185,025)
<b>Net Local Area Annual Costs</b>	<b>\$4,293,444</b>	<b>\$4,293,444</b>	<b>\$4,629,315</b>	<b>\$4,629,315</b>
<b>Revenue Sources:</b>				
<b>Direct Beneficiaries:</b>				
<u>Operational revenues</u>	\$366,263	\$1,527,105	\$424,609	\$1,770,373
Farebox and Pases	\$316,263	\$527,105	\$366,644	\$611,073
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
<u>City: future fees and tax gains</u>	<u>\$3,004,668</u>	<u>\$3,004,668</u>	<u>\$3,483,234</u>	<u>\$3,483,234</u>
<u>Parking:</u>				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
<u>Owners: Potential Benefit District Revenues</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>Subtotal</b>	<b>\$3,370,931</b>	<b>\$4,531,773</b>	<b>\$3,907,843</b>	<b>\$5,253,607</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$347,847	\$197,847	\$333,652	\$159,761
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$647,847</b>	<b>\$647,847</b>	<b>\$681,434</b>	<b>\$681,434</b>
<b>Total Sources</b>	<b>\$4,018,778</b>	<b>\$5,179,620</b>	<b>\$4,589,277</b>	<b>\$5,935,041</b>
<b>(Gap)/Surplus</b>	<b>(\$274,666)</b>	<b>\$886,176</b>	<b>(\$40,039)</b>	<b>\$1,305,726</b>



Hennepin-University-Central – Scenario A

<b>With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District</b>				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$3,162,629	\$3,162,629	\$3,666,436	\$3,666,436
Debt Service	\$7,161,034	\$7,161,034	\$7,161,034	\$7,161,034
<b>Total Costs</b>	<b>\$10,323,663</b>	<b>\$10,323,663</b>	<b>\$10,827,470</b>	<b>\$10,827,470</b>
(less impact of Federal Funding)	(\$3,580,517)	(\$3,580,517)	(\$3,580,517)	(\$3,580,517)
<b>Net Local Area Annual Costs</b>	<b>\$6,743,146</b>	<b>\$6,743,146</b>	<b>\$7,246,953</b>	<b>\$7,246,953</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$524,394	\$1,790,657	\$607,930	\$2,075,909
Farebox and Pases	\$474,394	\$790,657	\$549,965	\$916,609
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$3,004,668	\$3,004,668	\$3,483,234	\$3,483,234
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$1,312,007	\$2,624,014	\$1,767,205	\$3,534,411
<b>Subtotal</b>	<b>\$4,841,070</b>	<b>\$7,419,340</b>	<b>\$5,858,370</b>	<b>\$9,093,554</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$732,366	\$582,366	\$734,965	\$561,074
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,032,366</b>	<b>\$1,032,366</b>	<b>\$1,082,747</b>	<b>\$1,082,747</b>
<b>Total Sources</b>	<b>\$5,873,436</b>	<b>\$8,451,706</b>	<b>\$6,941,117</b>	<b>\$10,176,301</b>
<b>(Gap)/Surplus</b>	<b>(\$869,710)</b>	<b>\$1,708,560</b>	<b>(\$305,836)</b>	<b>\$2,929,348</b>



*Hennepin-University-Central – Scenario B*

With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$3,162,629	\$3,162,629	\$3,666,436	\$3,666,436
Debt Service	\$7,161,034	\$7,161,034	\$7,161,034	\$7,161,034
<b>Total Costs</b>	<b>\$10,323,663</b>	<b>\$10,323,663</b>	<b>\$10,827,470</b>	<b>\$10,827,470</b>
(less impact of Federal Funding)	(\$3,580,517)	(\$3,580,517)	(\$3,580,517)	(\$3,580,517)
<b>Net Local Area Annual Costs</b>	<b>\$6,743,146</b>	<b>\$6,743,146</b>	<b>\$7,246,953</b>	<b>\$7,246,953</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$524,394	\$1,790,657	\$607,930	\$2,075,909
Farebox and Pases	\$474,394	\$790,657	\$549,965	\$916,609
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	\$4,340,499	\$4,340,499	\$8,969,901	\$8,969,901
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$1,335,831	\$1,335,831	\$5,486,667	\$5,486,667
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$4,864,893</b>	<b>\$6,131,156</b>	<b>\$9,577,831</b>	<b>\$11,045,810</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$732,366	\$582,366	\$734,965	\$561,074
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,032,366</b>	<b>\$1,032,366</b>	<b>\$1,082,747</b>	<b>\$1,082,747</b>
<b>Total Sources</b>	<b>\$5,897,260</b>	<b>\$7,163,523</b>	<b>\$10,660,578</b>	<b>\$12,128,557</b>
<b>(Gap)/Surplus</b>	<b>(\$845,886)</b>	<b>\$420,377</b>	<b>\$3,413,625</b>	<b>\$4,881,604</b>



*Hennepin-University-Central – Scenario C*

<b>With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)</b>				
<b>Item</b>	<b>Start of Operations</b>		<b>5 Years after Start</b>	
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>Maximum Line Costs:</b>				
Operations	\$3,162,629	\$3,162,629	\$3,666,436	\$3,666,436
Debt Service	\$7,161,034	\$7,161,034	\$7,161,034	\$7,161,034
<b>Total Costs</b>	<b>\$10,323,663</b>	<b>\$10,323,663</b>	<b>\$10,827,470</b>	<b>\$10,827,470</b>
(less impact of Federal Funding)	(\$3,580,517)	(\$3,580,517)	(\$3,580,517)	(\$3,580,517)
<b>Net Local Area Annual Costs</b>	<b>\$6,743,146</b>	<b>\$6,743,146</b>	<b>\$7,246,953</b>	<b>\$7,246,953</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
<u>Operational revenues</u>	<u>\$524,394</u>	<u>\$1,790,657</u>	<u>\$607,930</u>	<u>\$2,075,909</u>
Farebox and Pases	\$474,394	\$790,657	\$549,965	\$916,609
Federal Formula Funds	\$0	\$100,000	\$0	\$115,930
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$500,000	\$0	\$579,650
Sports Venues	\$0	\$200,000	\$0	\$231,860
City: future fees and tax gains	<u>\$3,004,668</u>	<u>\$3,004,668</u>	<u>\$3,483,234</u>	<u>\$3,483,234</u>
Parking:				
Parking meter increases	\$376,218	\$376,218	\$436,140	\$436,140
Public parking increases	\$964,400	\$964,400	\$1,118,004	\$1,118,004
Private parking increases	\$1,664,050	\$1,664,050	\$1,929,090	\$1,929,090
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$3,529,063</b>	<b>\$4,795,326</b>	<b>\$4,091,165</b>	<b>\$5,559,143</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$732,366	\$582,366	\$734,965	\$561,074
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,032,366</b>	<b>\$1,032,366</b>	<b>\$1,082,747</b>	<b>\$1,082,747</b>
<b>Total Sources</b>	<b>\$4,561,429</b>	<b>\$5,827,692</b>	<b>\$5,173,912</b>	<b>\$6,641,890</b>
<b>(Gap)/Surplus</b>	<b>(\$2,181,717)</b>	<b>(\$915,454)</b>	<b>(\$2,073,041)</b>	<b>(\$605,063)</b>



*Greenway Ballast – Scenario A*

With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$5,189,091	\$5,189,091	\$6,015,713	\$6,015,713
Debt Service	\$5,897,543	\$5,897,543	\$5,897,543	\$5,897,543
<b>Total Costs</b>	<b>\$11,086,634</b>	<b>\$11,086,634</b>	<b>\$11,913,256</b>	<b>\$11,913,256</b>
(less impact of Federal Funding)	(\$2,948,772)	(\$2,948,772)	(\$2,948,772)	(\$2,948,772)
<b>Net Local Area Annual Costs</b>	<b>\$8,137,863</b>	<b>\$8,137,863</b>	<b>\$8,964,485</b>	<b>\$8,964,485</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$828,364	\$1,697,273	\$960,322	\$1,967,648
Farebox and Pases	\$778,364	\$1,297,273	\$902,357	\$1,503,928
Federal Formula Funds	\$0	\$200,000	\$0	\$231,860
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$0	\$0	\$0
Sports Venues	\$0	\$0	\$0	\$0
<u>City: future fees and tax gains</u>	<u>\$325,023</u>	<u>\$703,805</u>	<u>\$376,790</u>	<u>\$815,903</u>
Parking:				
Parking meter increases	\$168,000	\$336,000	\$194,758	\$389,516
Public parking increases	\$105,663	\$211,325	\$122,492	\$244,984
Private parking increases	\$51,360	\$156,480	\$59,540	\$181,403
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
<u>Owners: Potential Benefit District Revenues</u>	<u>\$415,869</u>	<u>\$831,738</u>	<u>\$566,167</u>	<u>\$1,132,333</u>
<b>Subtotal</b>	<b>\$1,569,255</b>	<b>\$3,232,816</b>	<b>\$1,903,279</b>	<b>\$3,915,884</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$808,663	\$658,663	\$843,543	\$669,652
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,108,663</b>	<b>\$1,108,663</b>	<b>\$1,191,326</b>	<b>\$1,191,326</b>
<b>Total Sources</b>	<b>\$2,677,919</b>	<b>\$4,341,480</b>	<b>\$3,094,604</b>	<b>\$5,107,210</b>
<b>(Gap)/Surplus</b>	<b>(\$5,459,944)</b>	<b>(\$3,796,383)</b>	<b>(\$5,869,881)</b>	<b>(\$3,857,275)</b>



*Greenway Ballast – Scenario B*

<b>With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement</b>				
<b>Item</b>	<b>Start of Operations</b>		<b>5 Years after Start</b>	
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>
<b>Maximum Line Costs:</b>				
Operations	\$5,189,091	\$5,189,091	\$6,015,713	\$6,015,713
Debt Service	\$5,897,543	\$5,897,543	\$5,897,543	\$5,897,543
<b>Total Costs</b>	<b>\$11,086,634</b>	<b>\$11,086,634</b>	<b>\$11,913,256</b>	<b>\$11,913,256</b>
(less impact of Federal Funding)	(\$2,948,772)	(\$2,948,772)	(\$2,948,772)	(\$2,948,772)
<b>Net Local Area Annual Costs</b>	<b>\$8,137,863</b>	<b>\$8,137,863</b>	<b>\$8,964,485</b>	<b>\$8,964,485</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$828,364	\$1,697,273	\$960,322	\$1,967,648
Farebox and Pases	\$778,364	\$1,297,273	\$902,357	\$1,503,928
Federal Formula Funds	\$0	\$200,000	\$0	\$231,860
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$0	\$0	\$0
Sports Venues	\$0	\$0	\$0	\$0
City: future fees and tax gains	\$950,438	\$1,329,221	\$2,956,765	\$3,395,878
Parking:				
Parking meter increases	\$168,000	\$336,000	\$194,758	\$389,516
Public parking increases	\$105,663	\$211,325	\$122,492	\$244,984
Private parking increases	\$51,360	\$156,480	\$59,540	\$181,403
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$625,416	\$625,416	\$2,579,975	\$2,579,975
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,778,802</b>	<b>\$3,026,494</b>	<b>\$3,917,087</b>	<b>\$5,363,526</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$808,663	\$658,663	\$843,543	\$669,652
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,108,663</b>	<b>\$1,108,663</b>	<b>\$1,191,326</b>	<b>\$1,191,326</b>
<b>Total Sources</b>	<b>\$2,887,465</b>	<b>\$4,135,157</b>	<b>\$5,108,413</b>	<b>\$6,554,852</b>
<b>(Gap)/Surplus</b>	<b>(\$5,250,397)</b>	<b>(\$4,002,706)</b>	<b>(\$3,856,072)</b>	<b>(\$2,409,633)</b>



*Greenway Ballast – Scenario C*

With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$5,189,091	\$5,189,091	\$6,015,713	\$6,015,713
Debt Service	\$5,897,543	\$5,897,543	\$5,897,543	\$5,897,543
<b>Total Costs</b>	<b>\$11,086,634</b>	<b>\$11,086,634</b>	<b>\$11,913,256</b>	<b>\$11,913,256</b>
(less impact of Federal Funding)	(\$2,948,772)	(\$2,948,772)	(\$2,948,772)	(\$2,948,772)
<b>Net Local Area Annual Costs</b>	<b>\$8,137,863</b>	<b>\$8,137,863</b>	<b>\$8,964,485</b>	<b>\$8,964,485</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$828,364	\$1,697,273	\$960,322	\$1,967,648
Farebox and Pases	\$778,364	\$1,297,273	\$902,357	\$1,503,928
Federal Formula Funds	\$0	\$200,000	\$0	\$231,860
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$0	\$0	\$0
Sports Venues	\$0	\$0	\$0	\$0
City: future fees and tax gains	\$325,023	\$703,805	\$376,790	\$815,903
Parking:				
Parking meter increases	\$168,000	\$336,000	\$194,758	\$389,516
Public parking increases	\$105,663	\$211,325	\$122,492	\$244,984
Private parking increases	\$51,360	\$156,480	\$59,540	\$181,403
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,153,386</b>	<b>\$2,401,078</b>	<b>\$1,337,112</b>	<b>\$2,783,551</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$808,663	\$658,663	\$843,543	\$669,652
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,108,663</b>	<b>\$1,108,663</b>	<b>\$1,191,326</b>	<b>\$1,191,326</b>
<b>Total Sources</b>	<b>\$2,262,050</b>	<b>\$3,509,741</b>	<b>\$2,528,438</b>	<b>\$3,974,877</b>
<b>(Gap)/Surplus</b>	<b>(\$5,875,813)</b>	<b>(\$4,628,121)</b>	<b>(\$6,436,047)</b>	<b>(\$4,989,608)</b>



*Greenway Embedded – Scenario A*

<b>With 50% Federal Funding - No Tax Abatement but Using Parking Revenue Increases (50%) and Special District</b>				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$5,189,091	\$5,189,091	\$6,015,713	\$6,015,713
Debt Service	\$7,768,976	\$7,768,976	\$7,768,976	\$7,768,976
<b>Total Costs</b>	<b>\$12,958,067</b>	<b>\$12,958,067</b>	<b>\$13,784,689</b>	<b>\$13,784,689</b>
(less impact of Federal Funding)	(\$3,884,488)	(\$3,884,488)	(\$3,884,488)	(\$3,884,488)
<b>Net Local Area Annual Costs</b>	<b>\$9,073,579</b>	<b>\$9,073,579</b>	<b>\$9,900,201</b>	<b>\$9,900,201</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
<u>Operational revenues</u>	\$828,364	\$1,697,273	\$960,322	\$1,967,648
Farebox and Pases	\$778,364	\$1,297,273	\$902,357	\$1,503,928
Federal Formula Funds	\$0	\$200,000	\$0	\$231,860
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements				
Convention Center	\$0	\$0	\$0	\$0
Sports Venues	\$0	\$0	\$0	\$0
City: future fees and tax gains	\$325,023	\$703,805	\$376,790	\$815,903
Parking:				
Parking meter increases	\$168,000	\$336,000	\$194,758	\$389,516
Public parking increases	\$105,663	\$211,325	\$122,492	\$244,984
Private parking increases	\$51,360	\$156,480	\$59,540	\$181,403
Tax Abatement: Future				
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$415,869	\$831,738	\$566,167	\$1,132,333
<b>Subtotal</b>	<b>\$1,569,255</b>	<b>\$3,232,816</b>	<b>\$1,903,279</b>	<b>\$3,915,884</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$995,807	\$845,807	\$1,030,687	\$856,796
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,295,807</b>	<b>\$1,295,807</b>	<b>\$1,378,469</b>	<b>\$1,378,469</b>
<b>Total Sources</b>	<b>\$2,865,062</b>	<b>\$4,528,623</b>	<b>\$3,281,748</b>	<b>\$5,294,353</b>
<b>(Gap)/Surplus</b>	<b>(\$6,208,517)</b>	<b>(\$4,544,956)</b>	<b>(\$6,618,454)</b>	<b>(\$4,605,848)</b>



*Greenway Embedded – Scenario B*

With 50% Federal Funding - No Special District but Using Parking Revenue Increases (50%) and Tax Abatement				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$5,189,091	\$5,189,091	\$6,015,713	\$6,015,713
Debt Service	\$7,768,976	\$7,768,976	\$7,768,976	\$7,768,976
<b>Total Costs</b>	<b>\$12,958,067</b>	<b>\$12,958,067</b>	<b>\$13,784,689</b>	<b>\$13,784,689</b>
(less impact of Federal Funding)	(\$3,884,488)	(\$3,884,488)	(\$3,884,488)	(\$3,884,488)
<b>Net Local Area Annual Costs</b>	<b>\$9,073,579</b>	<b>\$9,073,579</b>	<b>\$9,900,201</b>	<b>\$9,900,201</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$828,364	\$1,697,273	\$960,322	\$1,967,648
Farebox and Pases	\$778,364	\$1,297,273	\$902,357	\$1,503,928
Federal Formula Funds	\$0	\$200,000	\$0	\$231,860
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$0	\$0	\$0
Sports Venues	\$0	\$0	\$0	\$0
City: future fees and tax gains	\$950,438	\$1,329,221	\$2,956,765	\$3,395,878
Parking:				
Parking meter increases	\$168,000	\$336,000	\$194,758	\$389,516
Public parking increases	\$105,663	\$211,325	\$122,492	\$244,984
Private parking increases	\$51,360	\$156,480	\$59,540	\$181,403
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$625,416	\$625,416	\$2,579,975	\$2,579,975
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,778,802</b>	<b>\$3,026,494</b>	<b>\$3,917,087</b>	<b>\$5,363,526</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$995,807	\$845,807	\$1,030,687	\$856,796
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,295,807</b>	<b>\$1,295,807</b>	<b>\$1,378,469</b>	<b>\$1,378,469</b>
<b>Total Sources</b>	<b>\$3,074,609</b>	<b>\$4,322,300</b>	<b>\$5,295,556</b>	<b>\$6,741,995</b>
<b>(Gap)/Surplus</b>	<b>(\$5,998,970)</b>	<b>(\$4,751,279)</b>	<b>(\$4,604,646)</b>	<b>(\$3,158,207)</b>



*Greenway Embedded – Scenario C*

With 50% Federal Funding - No Special District or Tax Abatement but Using Parking Revenue Increases (50%)				
Item	Start of Operations		5 Years after Start	
	Low	High	Low	High
<b>Maximum Line Costs:</b>				
Operations	\$5,189,091	\$5,189,091	\$6,015,713	\$6,015,713
Debt Service	\$7,768,976	\$7,768,976	\$7,768,976	\$7,768,976
<b>Total Costs</b>	<b>\$12,958,067</b>	<b>\$12,958,067</b>	<b>\$13,784,689</b>	<b>\$13,784,689</b>
(less impact of Federal Funding)	(\$3,884,488)	(\$3,884,488)	(\$3,884,488)	(\$3,884,488)
<b>Net Local Area Annual Costs</b>	<b>\$9,073,579</b>	<b>\$9,073,579</b>	<b>\$9,900,201</b>	<b>\$9,900,201</b>
<b>Sources:</b>				
<b>Direct Beneficiaries:</b>				
Operational revenues	\$828,364	\$1,697,273	\$960,322	\$1,967,648
Farebox and Pases	\$778,364	\$1,297,273	\$902,357	\$1,503,928
Federal Formula Funds	\$0	\$200,000	\$0	\$231,860
Savings on Bus Operations	\$0	\$0	\$0	\$0
Advertising	\$50,000	\$200,000	\$57,965	\$231,860
Bulk User Agreements	\$0	\$0	\$0	\$0
Convention Center	\$0	\$0	\$0	\$0
Sports Venues	\$0	\$0	\$0	\$0
City: future fees and tax gains	\$325,023	\$703,805	\$376,790	\$815,903
Parking:				
Parking meter increases	\$168,000	\$336,000	\$194,758	\$389,516
Public parking increases	\$105,663	\$211,325	\$122,492	\$244,984
Private parking increases	\$51,360	\$156,480	\$59,540	\$181,403
Tax Abatement: Future	\$0	\$0	\$0	\$0
Establish in 2010	\$0	\$0	\$0	\$0
Owners: Potential Benefit District Revenues	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,153,386</b>	<b>\$2,401,078</b>	<b>\$1,337,112</b>	<b>\$2,783,551</b>
<b>Regional Interests:</b>				
Metro Transit Agency/Metropolitan Council	\$995,807	\$845,807	\$1,030,687	\$856,796
Corporate and foundation interests/sponsors	\$200,000	\$350,000	\$231,855	\$405,746
Economic development resources	\$100,000	\$100,000	\$115,927	\$115,927
<b>Subtotal</b>	<b>\$1,295,807</b>	<b>\$1,295,807</b>	<b>\$1,378,469</b>	<b>\$1,378,469</b>
<b>Total Sources</b>	<b>\$2,449,193</b>	<b>\$3,696,885</b>	<b>\$2,715,581</b>	<b>\$4,162,020</b>
<b>(Gap)/Surplus</b>	<b>(\$6,624,386)</b>	<b>(\$5,376,695)</b>	<b>(\$7,184,620)</b>	<b>(\$5,738,181)</b>