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# Plan Globally, Fund Locally: Where The Money Comes From

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**Infrastructure  
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# Overview

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- Leverage locally like LA
- Share surplus from managed lanes
- Rely on ridership revenues

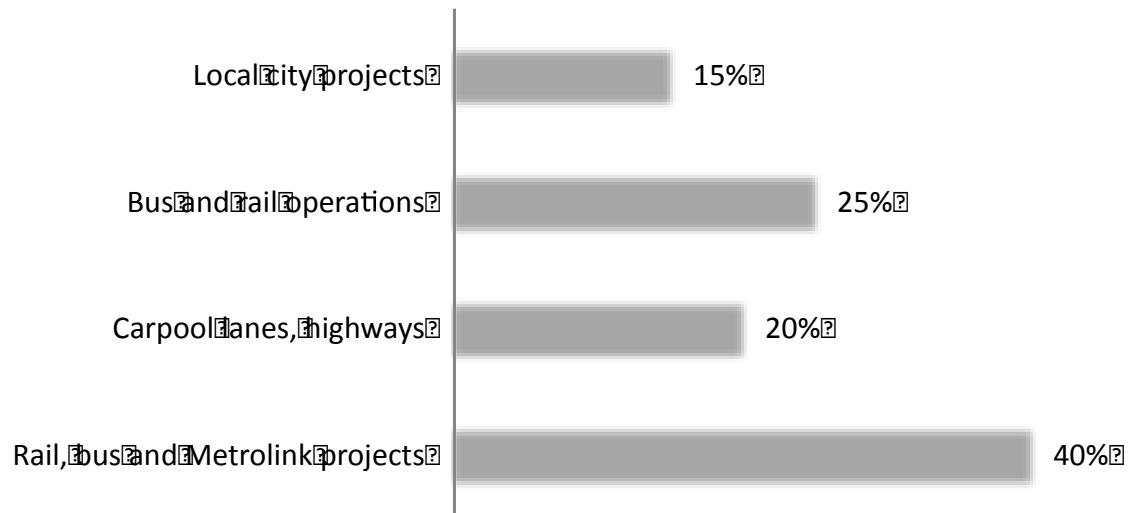
# Leverage locally like in LA: LA's 30/10 program pushes the envelope and may become national model



# Leverage locally: 30/10 requires federal leveraging mechanisms such as TIBs and TIFIA

- Measure R, new 0.5% sales tax approved by LA County voters in 2008 (in addition to previous 1.0% of transportation-dedicated sales taxes), will fund \$40 B in next 30 years

Distribution of Measure R Funds



- 30/10 plan also requires:
  - Transit improvement bonds (TIBs), tax-preferred bonding
  - More TIFA monies

# Share surplus from managed lanes: Build on historical precedents to share toll revenues

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- Cross-subsidizing transit is not new:
  - New York's Triborough and Bridge Authority's tolls supports New York City's subway and bus systems
  - San Francisco's Bay Area Toll Authority supports transit



# Share surplus: Colorado DOT with Denver RTD just closed on \$300 M US 36 Managed Lanes/BRT

- 10.1 mile segment of U.S. 36 from Denver to Boulder
- U.S. 36 will be six lanes, two of which will be managed lanes, allowing buses free access
- Single occupancy vehicles will pay toll
- BRT will become part of RTD's FasTracks and connect to existing public transportation networks in Denver and Boulder



## Share surplus: TIFIA helped leverage sales taxes, local, state and federal grants

Sources	Total \$millions
Bridge Enterprise	46.0
CDOT Federal & State grant funds	38.0
RTD Sales Tax Revenue	120.0
DRCOG Federal funds	44.0
TIGER Grant*	4.8
TIFIA Loan	54.0
<b>Total Sources</b>	<b>\$306.8</b>

Uses	Total \$millions
Preliminary Engineering/Procurement	5.4
ROW Acquisition	15.8
Force Account	5.4
Construction Engineering Costs/Other	29.2
Construction	205.0
Bridge Enterprise Structures	46.0
<b>Total Uses</b>	<b>\$306.8</b>

## **Share surplus: Several new transit projects are funded by/teamed up with local toll roads**

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- **Dulles Metrorail** – Revenues from Dulles Toll Road, operated by Metropolitan Washington Airports Authority, will support this extension of Washington Metropolitan Area Transit Authority service to Dulles Airport
- **Denton County Transportation Authority’s “A-Train”** – Uses “Regional Toll Revenue” funds from North Texas Tollway Authority (NTTA), resulting from their right to build SR-121 26-mile toll road
- **South Miami-Dade Busway** – Miami-Dade Expressway (MDX) has initiated planning to enhance this BRT, making it more effective and allowing managed lanes, as “US-1 Express”



# **Rely on ridership revenues: New York's MTA bondholders regularly take some farebox risk**

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- Pledged revenues to pay bond debt service include:
  - Subway and bus fares
  - Concessionaire payments
  - Expense reimbursement payments from:
    - Triborough Bridge and Tunnel Authority (TBTA)—tolls
    - State of New and York
    - City of New York
- “MTA Transportation Revenue Bonds” are rated “investment grade:” A/A2/A (Standard & Poor's/Moody's/Fitch Ratings)

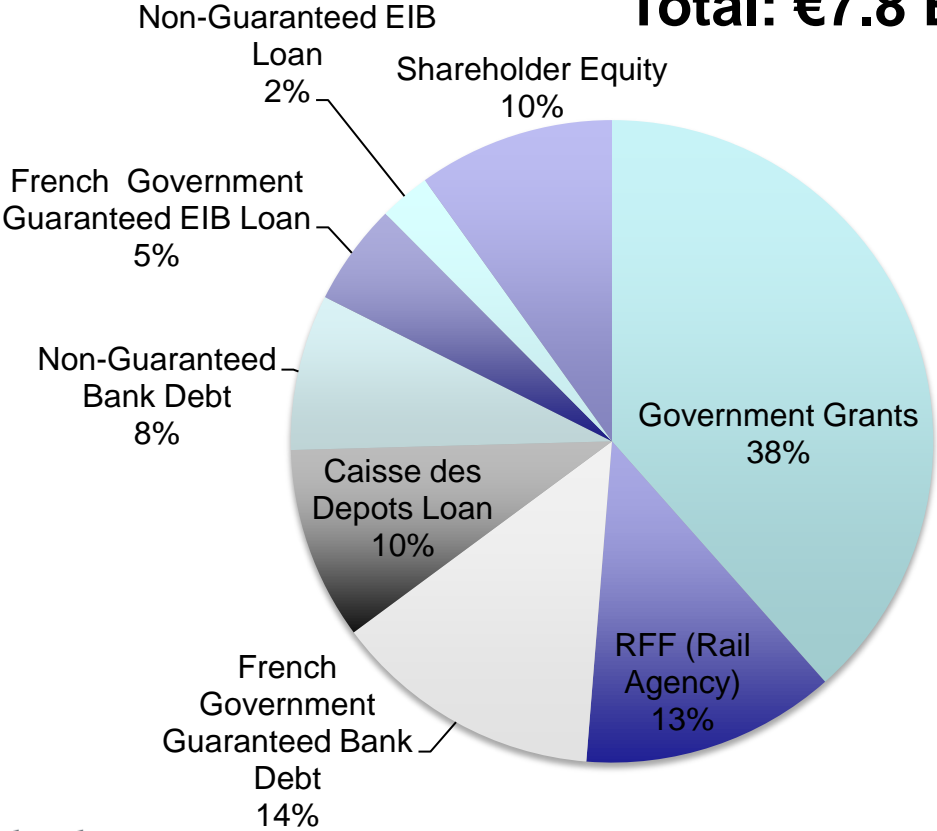
# Rely on revenues: Sud Europe Atlantique (SEA) HSR transfers some ridership risk to private investors

- 300 km new high-speed rail (HSR) passenger line
- Cost of €7.8 B (\$11 B)
- Concessionaire responsible for design, build, finance, maintain (DBFM)
- Contract duration: 50 yrs
  - construction: 6 yrs
  - operations: 44 yrs
- Reached financial close this year



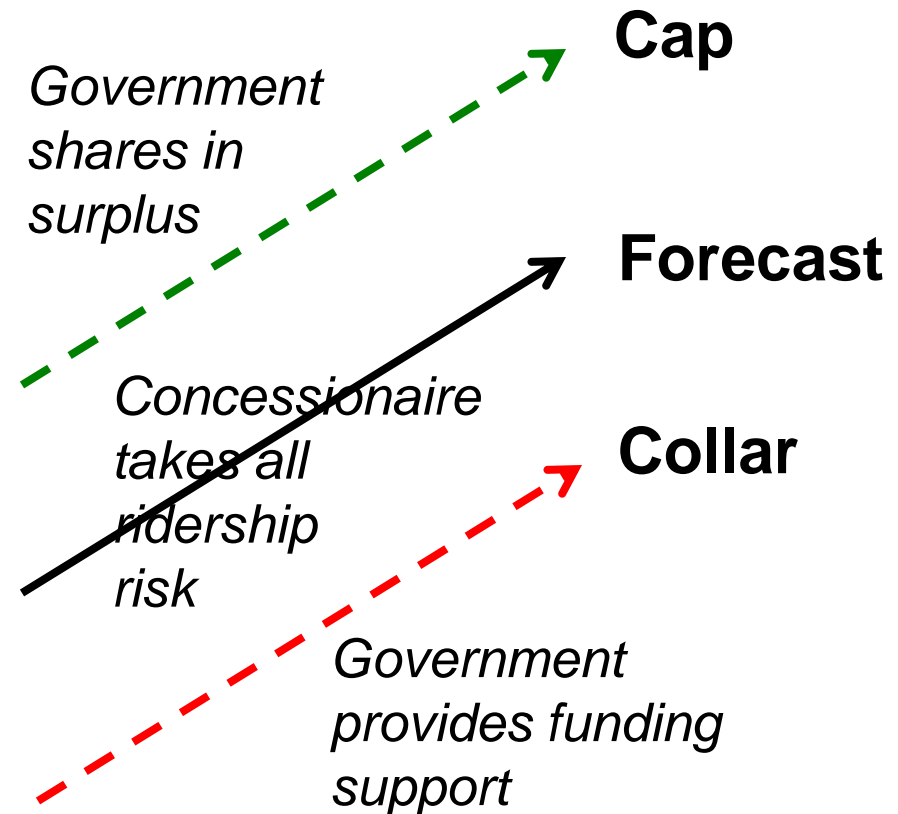
# Rely on revenues: Around 20% of SEA's debt and equity takes ridership risk

## Sud Europe Atlantique HSR Financing, 2011 Total: €7.8 B (\$11 B)



# Rely on revenues: São Paulo Metrô Line 4 shifts ridership risk to concessionaire, within range

- São Paulo Metrô Line 4 is 12.8 km project that has been delivered in two stages:
  - Basic infrastructure supplied by contractor consortium
  - 30-year concession agreement for rolling stock, systems, & O&M
- Concessionaire accepts some ridership risk within pre-defined “cap and collar”



# Contact

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