
7.0 Local Financial Commitment

7.0 Local Financial Commitment

This section contains the financial plan developed for Transport 2020 project. The financial plan and 20-year financial model have been developed in accordance with FTA's June 2000 *Guidance for Transit Financial Plans*, and the reporting of the local financial commitment criterion is consistent with the May 2007 *Reporting Instructions for the Section 5309 New Starts Criteria*.

The two major elements included in this section are the Finance Template and the Transport 2020 Financial Plan. The Finance Template provides a uniform reporting of the local financial commitment for Transport 2020. The financial plan illustrates that the sufficient financial capacity will be available to construct and operate the Transport 2020 project. This will be the first service to be operated under a newly formed Regional Transportation Authority (RTA).

Key supporting documentation for the local financial commitment criterion will be provided directly to the contractor assigned by FTA to conduct a financial assessment of the Transport 2020 project. The Local Financial Checklist is provided at the end of this section.

Local Financial Commitment Checklist

GRANTEE FINANCIAL SUBMITTAL	Included (check one)		Reason Why Information Has Not Been Provided
	Yes	No	
20-year cash flow statement (in year of expenditure dollars) including capital and operating financial plans (provided both electronically and in hardcopy). The cash flow statement should clearly show revenues and expenses for the project separated from those for the remainder of the transit system.	✓		
Detailed written description/discussion of all assumptions used in the financial plan including: Federal/state/local/debt proceeds funding assumptions Average fare assumption Average weekday ridership assumptions Debt coverage requirements/assumptions Assumptions used in the calculation of operating expenses for each mode (i.e. -- vehicle miles, vehicle hours of service provided, etc.)	✓		
FTA Project Description and Financial Template	✓		
Capital cost estimate for the proposed project (in year of expenditure dollars) in the FTA standardized cost category worksheet format	✓		
Sensitivity Analysis	✓		
Supporting Documentation Including:			
Background information and description of the New Starts fixed guideway project, including project status	✓		
Historical revenue and expense data (minimum of 5 years required, more than 5 years appreciated)		✓	New agency to be formed to implement project.
Commitment letters, contracts, agreements, legislative referendums or other documents demonstrating local share commitment of non-Federal funding partners	✓		Contained in Section 12.0
Enacting legislative documents for tax referenda		✓	Enabling legislation has not yet passed.
Joint development agreements, or description and supporting documentation of other innovative financing techniques, if applicable		✓	Not applicable.
Annual Operating and Capital Budgets for the past 3 years		✓	New agency to be formed to implement project.
Audited Financial Statements and Compliance Reports for the past 3 years		✓	New agency to be formed to implement project.
Annual Reports/Comprehensive Annual Financial Reports (CAFR) for the past 3 years		✓	New agency to be formed to implement project.
Background information and description of the transit agency, including organizational structure and grantee enabling legislation	✓		See Project Management Plan, Section 10.0
TIP, STIP and Short Range Transit Plan (SRTP), if available (please provide only relevant pages of these documents)	✓		
Regional Long Range Transportation Plan (please provide only relevant pages)	✓		
Sponsoring Agency's Capital Improvement Program Document			n/a
Bus and Rail Fleet Management Plans including fleet replacement schedules			n/a
Latest bonding prospectus/credit facility documents (credit lines, commercial paper, etc.)			n/a
Local development, demographic and economic studies used in preparing the financial plan, plus documentation supporting efficiency or productivity gain assumptions			n/a
Other materials (if any), please describe:			

Transport 2020 Commuter Rail

Financial Plan

final report

prepared for

**City of Madison
Dane County
Wisconsin Department of Transportation**

prepared by

**HNTB Corporation
Cambridge Systematics, Inc.**

final report

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Financial Plan

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date

May 23, 2008

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1.0 Introduction

This Financial Plan has been developed in accordance with the provisions of FTA Circular 5200.1A, Section 5309 of Title 49, U.S.C., and the FTA *Guidance for Transit Financial Plans* dated June 2000. The plan describes the revenues and expenditures associated with the Transport 2020 Commuter Rail Project over time; sources of Federal, state, and local funding; and the ability of those funding sources to construct and implement the project. It includes a Capital Plan and an Operating Plan.

1.1 DESCRIPTION OF PROJECT SPONSOR

The project sponsor for the Transport 2020 project is an Intergovernmental Partnership (IGP) established to manage project planning and development activities. The IGP is comprised of the City of Madison, Dane County, and the Wisconsin Department of Transportation (WisDOT). The City has provided the Program Manager leading the Stage One planning/alternatives analysis/environmental phases of the study.

The project organization has been established to ultimately recognize the authority of a proposed Regional Transportation Authority (RTA) as a recipient of state and Federal funds. Enabling legislation must be passed at the state level in order to authorize the creation of an RTA. Once created, the RTA will function to provide funding as well as policy direction and guidance for the Transport 2020 project. The RTA will have authority over a comprehensive, countywide transportation system that will provide transportation infrastructure to the entire region.

The structure of the RTA has been agreed to in concept by the City of Madison and Dane County. The RTA will be governed by a policy board that includes representatives of the City of Madison, Dane County, local municipalities throughout Dane County, and community partners, including the University of Wisconsin at Madison and the Madison Area Metropolitan Planning Organization.

The enabling legislation is expected to allow for up to a one-half-cent sales tax, which would go before the citizens in a countywide referendum. The implementation of the sales tax will be contingent upon receiving Federal transit funds. Based on revenues from an existing county option sales tax for other purposes, it is estimated that this tax would generate \$42 million in 2007, of which a portion is anticipated to cover the local share of capital, operating and maintenance costs of the Transport 2020 project. This sales tax funding would be apportioned to Transport 2020 as well as other regional transportation initiatives. The funding breakouts could be as follows (note that the funding breakouts

below have been suggested as a starting point for detailed local discussions, which are ongoing):

- 33 percent: first phase of Transport 2020;
- 25 percent: Metro Transit buses;
- 25 percent: town, village, city and county road maintenance; and
- 17 percent: paratransit services, rail and bus enhancements, and bicycle facilities.

The City of Madison Common Council and Dane County Board of Supervisors passed resolutions in 2007 supporting the passage of the enabling legislation.¹ In addition, the Madison Area Metropolitan Planning Organization also passed a resolution of support for this legislation in 2007. It is anticipated that this legislation will be passed by the state legislature and signed by the Governor during the January 2009 biennial legislative cycle, which will meet the timeline for implementation of a new sales tax to support the RTA and the Transport 2020 project. This Financial Plan assumes implementation of the sales tax by January 1, 2012.

1.2 REGIONAL ECONOMIC CONDITIONS

The Transport 2020 project began with a broad focus of examining potential transportation improvements throughout Dane County while focusing on the Madison metropolitan area. While the project involves measures that can positively impact congestion, safety issues, and pedestrian and bicycle mobility in and around the east-west rail corridor through the Madison isthmus, the effects of the improvements will likely resonate throughout the county and surrounding areas. This section outlines the regional economic conditions of Dane County.

1.2.1 Population

As shown in Table 1.1, the Madison area has grown at a brisk pace since 2000. Projections of future population growth predict that the Central Urban Service Area, including Madison and Middleton, will gain an additional 70,000 residents by the year 2030. In combination with other urban areas in Dane County, the urban growth rate is expected to surpass that of rural areas by 14 percent.

¹ Resolutions supporting the expansion of multi-modal public transit in the Madison metropolitan area and State legislation that enables the creation of a Regional Transportation Authority were passed by the Dane County Board of Supervisors and the City of Madison Common Council in 2007.

Table 1.1 Population Forecasts by Service Area^a

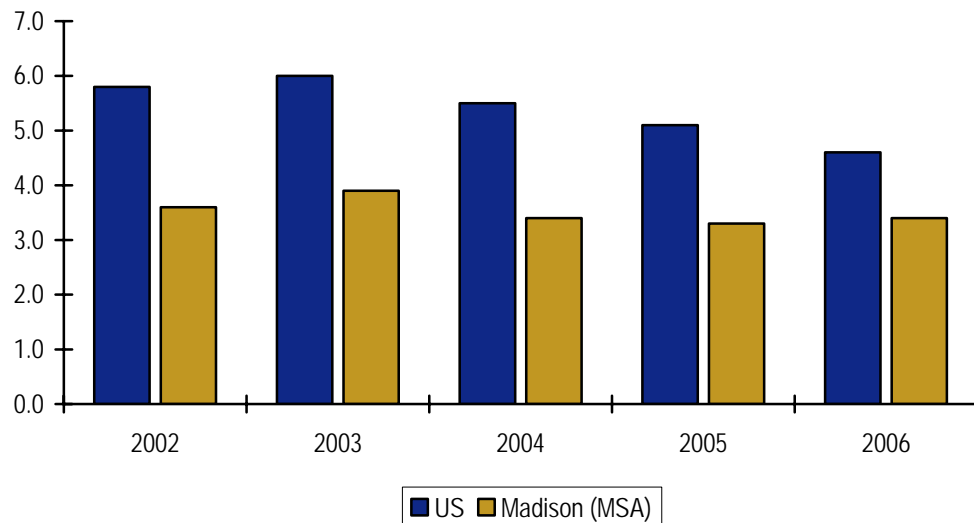
Service Area	Actual		Forecast			Change 2000 to 2030	
	2000	2006	2010	2020	2030	Number	Percent
Central (Madison-Middleton)	268,850	287,707	293,929	315,413	339,222	70,372	26.2%
Cottage Grove	4,059	5,158	5,689	7,438	9,372	5,313	130.9%
Sun Prairie	20,533	25,344	26,266	30,869	36,211	15,678	76.4%
Verona	7,306	10,100	10,560	12,965	15,685	8,379	114.7%
Wauwaukee	9,000	10,760	11,800	14,453	17,458	8,458	94.0%
<i>All Urban</i>	<i>367,615</i>	<i>402,202</i>	<i>415,938</i>	<i>458,638</i>	<i>506,993</i>	<i>139,378</i>	<i>37.9%</i>
<i>All Rural</i>	<i>58,911</i>	<i>62,311</i>	<i>64,638</i>	<i>68,896</i>	<i>72,983</i>	<i>14,072</i>	<i>23.9%</i>
Dane County	426,526	464,513	480,573	527,534	579,976	153,450	36.0%

^a Capital Area Regional Planning Commission. *2006 Regional Trends*. Available at <http://www.danecorpc.org/>.

1.2.2 Employment

Traditionally, Madison's economy has been strongly influenced both by being home to one of the largest state universities in the United States (the University of Wisconsin at Madison has more than 41,000 students) as well as the majority of state government offices. In addition to providing a large number of public sector jobs and a stable base for the local economy, these two institutions have enabled a number of affiliated professional and service industries to develop in the region. The following figures and tables characterize employment trends within Madison and the surrounding region. Figure 1.1 depicts the Madison Statistical Area's (MSA) annual average unemployment rates since 2002. Typically between three and four percent, the area's unemployment rate tends to fall below the national average, which although declining, ranged between 4.5 and seven percent for the same time period.

**Figure 1.1 Annual Average Unemployment Rates
2002 to 2006^a**



^a U.S. Department of Labor, Bureau of Labor Statistics. Available at <http://www.bls.gov/bls/employment.htm>.

As shown in Table 1.2, employment has grown across nearly all categories in the past several years, with the exceptions of manufacturing and public administration.

Table 1.2 Recent Employment by Industry Sector

Industry Type by NAICS Sector	Average Annual Employment						
	2000	2001	2002	2003	2004	2005	2006
Natural Resources	1,520	1,568	1,566	1,576	1,644	1,667	1,694
Construction	14,157	14,622	14,564	14,828	14,989	15,512	15,693
Manufacturing	30,725	29,080	27,226	26,809	27,070	27,044	26,977
Trade, Transportation, Utilities	51,375	52,074	50,694	51,044	51,836	52,538	52,621
Information			6,506	6,874		8,647	8,841
Financial Activities	22,337	23,156	24,496	25,217	26,789	27,745	26,578
Professional and Business Services	28,839	29,617	31,375	31,241	31,039	32,388	34,441
Educational and Health	61,401	63,460	66,330	67,258	68,439	69,932	69,774
Leisure and Hospitality	23,330	23,770	24,308	25,028	26,404	27,456	27,528
Other Services	9,361	9,814	10,040	10,110	10,691	10,951	11,242
Public Administration	24,141	24,440	24,037	23,808	23,326	22,980	22,871
Total, All Industries	274,477	278,994	281,163	283,797	290,229	296,887	298,291

Table 1.3 shows projections through 2030. Expectations are that employment will grow approximately 50 percent between 2000 and 2030 within the City of Madison, and up to 60 percent within Dane County. Consistent growth levels are forecast during each 10-year interval.

**Table 1.3 Employment Forecast for Madison and Dane County
2000 to 2030^a**

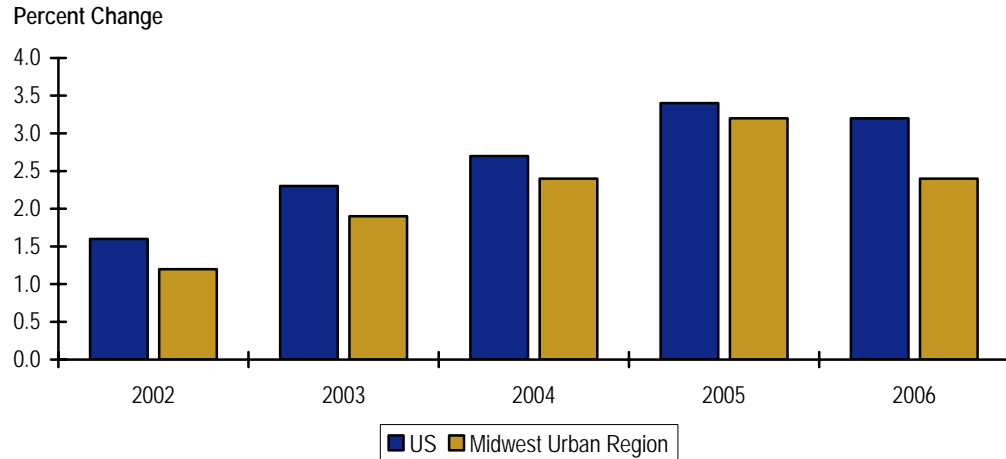
	2000	2010	2020	2030	2000 to 2030	
					Number	Percent
<i>Low-Growth Forecast</i>						
City of Madison	178,951	205,000	234,000	264,000	85,049	48%
Dane County	281,432	333,000	387,000	441,000	159,568	57%
<i>High-Growth Forecast</i>						
City of Madison	178,951	209,000	240,000	270,000	91,049	51%
Dane County	281,432	338,000	394,000	450,000	168,568	60%

^a City of Madison Comprehensive Plan, Valerie S. Kretchmer Associates, Inc. (Transport 2020 Land Use Report, November 2006).

1.2.3 Inflation

Figure 1.2 shows annual average inflation rate change for the United States as compared to change in Midwest Urban areas for the 2002 to 2006 timeframe, as calculated by the U.S. Department of Labor. Prices in the Midwest Urban area have risen at an average of 2.2 percent over the past five years, while the nationwide average is 2.6 percent. Table 1.4 displays a detailed comparison of the two for 1996 to present, including the average index value and annual growth rate. As can be seen from both, the Midwest Urban Areas have mirrored fluctuations in national trends.

Figure 1.2 Average Annual Change in Consumer Price Index
2002 to 2006^a



^a U.S. Department of Labor, Bureau of Labor Statistics. Available at <http://www.bls.gov/bls/inflation.htm>.

Table 1.4 Consumer Price Index
1996 to 2006^a

Year	U.S. City Average		Midwest Urban	
	Average Annual Index	Change from Previous Year	Average Annual Index	Change from Previous Year
1996	156.9	3.0%	153.0	3.1%
1997	160.5	2.3%	156.7	2.4%
1998	163.0	1.6%	159.3	1.7%
1999	166.6	2.2%	162.7	2.1%
2000	172.2	3.4%	168.3	3.4%
2001	177.1	2.8%	172.8	2.7%
2002	179.9	1.6%	174.9	1.2%
2003	184.0	2.3%	178.3	1.9%
2004	188.9	2.7%	182.6	2.4%
2005	195.3	3.4%	188.4	3.2%
2006	201.6	3.2%	193.0	2.4%

^a Capital Area Regional Planning Commission. *2006 Regional Trends*. Available at <http://www.danecorpc.org/>.

1.3 PROJECT DESCRIPTION

The proposed Transport 2020 project will utilize diesel multiple unit vehicles (“DMU,” self-propelled coaches) or new hybrid technology commuter rail vehicles, and will operate in an existing rail corridor under temporal separation from freight service. The corridor runs from the Highway 12/14 interchange in Middleton, through the Isthmus, to Reiner Road in Sun Prairie. The project serves many of metropolitan Madison’s major employment, entertainment, and shopping destinations, and complements the existing bus system.

As shown in Figure 1.3, the project includes 17 stations along a 16.1-mile alignment from Stonefield Court on the west to State Route 30 on the east. In order to provide cost effective and frequent service in Madison’s core, trains will operate on two overlapping routes, identified as the east branch and the west branch. The east branch operates from Reiner Road near Sun Prairie, through downtown Madison, to Whitney Way/Hill Farms. The west branch runs from Middleton to Fair Oaks, east of the Isthmus. Thus, frequent overlapping service operates between Whitney Way/Hill Farms and Fair Oaks.

The proposed service will be operated with DMU or hybrid technology commuter rail vehicles sharing track with Union Pacific and Wisconsin and Southern Railroad freight trains (temporal separation of freight and passenger rail service is assumed). The tracks that currently are in place will be rehabilitated to accommodate the passenger service. Nine single-car trains will be required for the weekday peak service. The planned fleet of 11 vehicles includes two spares. The service design would provide 70 daily trips on weekdays and 40 trips on Saturdays on each branch. Initially, Sunday service and other special event service will be offered as demand warrants.²

1.4 PROJECT SCHEDULE

Table 1.5 shows a preliminary, generalized schedule for project development through construction.

² Transport 2020. *Madison Wisconsin Operating Alternatives: Task 4 Revised Operating Costs*. January 31, 2008.

Table 1.5 Project Schedule

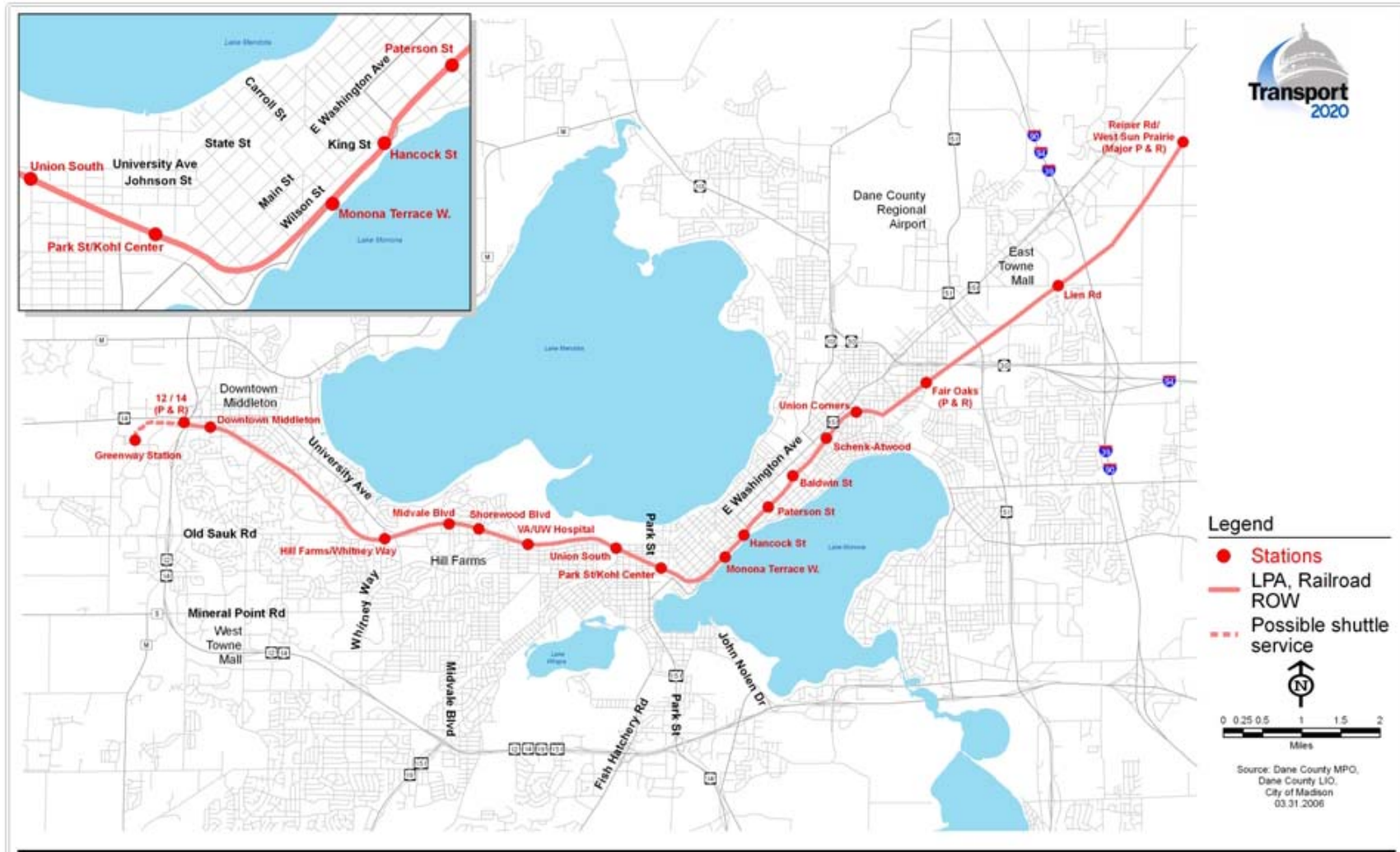
Stage	Task	Start	Finish
AA / DEIS	Draft Environmental Impact Statement	January 2008	October 2009
	Definition of Alternatives	April 2006	September 2007
	Transit Supportive Land Use	May 2006	February 2007
	Ridership Forecasting	April 2006	October 2007
	Capital and O&M Cost Estimates	May 2006	October 2007
	Evaluation of Alternatives	October 2007	November 2007
	Prepare Project Plans	January 2007	May 2007
	Develop Financial Plan	August 2007	May 2008
	Preparation of FTA New Starts Report	June 2007	May 2008
	FTA Application for PE Funding	June 2008	June 2008
FTA Decision on Entering Preliminary Engineering			November 2008
PE / FEIS	Conduct Preliminary Engineering	January 2009	June 2010
	FTA Application for FD Funding	June 2010	June 2010
FTA Intent to Approve Entering Final Design			October 2010
Public Referendum ^a			November 2010
FD	Conduct Final Engineering and Design	October 2010	October 2011
FTA Decision on Full Funding Grant Agreement			January 2012
Implementation of RTA Sales Tax ^b			January 2012
Construct	Procurement and Construction	April 2012	July 2014
	Training and Testing	July 2014	January 2015
	Service Implementation	January 2015	

Source: Transport 2020 *Project Management Plan*. Draft, April 2008.

^a Public referendum date is tentative, depending on satisfactory completion of project milestones.

^b Implementation of RTA sales tax is dependent on FTA approval of Full Funding Grant Agreement.

Figure 1.3 Transport 2020 Commuter Rail Project Alignment



Source: Transport 2020.

2.0 Capital Plan

This section summarizes the assumptions and methodologies used to develop the RTA's capital plan, which focuses on the implementation of the Transport 2020 commuter rail project. The purpose of this section is to demonstrate that the RTA has the financial capacity to fund the construction costs of the proposed transit system.

2.1 PROJECT CAPITAL COST ESTIMATES AND SCHEDULE

Project capital costs for the Transport 2020 Commuter Rail project are estimated to be \$245,952,000 in constant 2007 dollars, not including construction cost escalation through the time of implementation or finance charges as described in Section II.3.³ Capital cost estimates were prepared using quantity take-offs from the conceptual design of the Locally Preferred Alternative (LPA) and unit costs derived from industry publications, internal consultant team sources, and local City of Madison and Wisconsin DOT construction costs.

Cost estimates were developed for Low Cost, Most Likely Cost, and High Cost scenarios. The cost scenarios reflect uncertainty in the estimates of quantities arising from the design, from the possible need to select alternate designs for a specific item, or from anticipated market variation in unit costs (new technology, quantity discount, soft markets, etc.). For the AA Stage, contingencies amounting to 24 percent of total project cost have been assumed, which is typical for conceptual engineering work in general.

Cost estimates were prepared and summarized in FTA Standard Cost Categories (SCC) format, as described in the SCC worksheets.⁴ The SCC worksheets are included in Section 4.0 of the New Starts submittal.

The project construction schedule assumes initiation of revenue service in early 2015. The majority of the construction expense is incurred in 2012, 2013, and 2014. It is assumed that options to purchase right-of-way are secured in 2011, with payment in 2012 following FTA approval of the Full Funding Grant Agreement (FFGA).

³ Project capital costs including construction-period finance charges are \$255,308,371 expressed in constant 2007 dollars. Costs in year of expenditure dollars are described in Table 2.2.

⁴ Transport 2020. Standardized Cost Categories worksheets in "T2020_Build_Standard_Cost_Categories_2008-05-21-Draft.xls."

An annual construction cost escalation rate of 4.91 percent per year is assumed, based on the U.S. Army Corps of Engineers Civil Works Construction Cost Index System (CWCCIS) for the period of Federal fiscal year 2003 to 2007.⁵ This five-year compound annual growth rate reflects increases in construction costs for roads, railways, and bridges in Wisconsin. Because increases in recent years have been relatively high, the five-year growth rate is higher than the 10-year growth rate of 3.40 percent. Table 2.1 summarizes the change in the cost index over the last 10 years.

Table 2.1 Construction Cost Escalation History
1998 to 2007

Federal Fiscal Year	Year-Over-Year Growth	
	National Index	Wisconsin Adjusted
1998	0.8%	3.7%
1999	2.2%	2.2%
2000	1.4%	0.4%
2001	1.0%	1.0%
2002	3.2%	4.2%
2003	2.2%	3.2%
2004	8.3%	7.3%
2005	5.5%	6.5%
2006	4.5%	1.6%
2007	4.1%	4.4%
CAGR 1998 to 2007	3.59%	3.40%
CAGR 2003 to 2007	5.58%	4.91%

Source: U.S. Army Corps of Engineers Civil Works Construction Cost Index System for Roads, Railroads, and Bridges. Available at <http://www.usace.army.mil/publications/eng-manuals/em1110-2-1304/entire.pdf>

Note: FY2007 values are as projected by U.S. Army Corps of Engineers. CAGR = Compound Annual Growth Rate.

⁵ U.S. Army Corps of Engineers. Civil Works Construction Cost Index System. Revised September 30, 2007. Available at <http://www.usace.army.mil/publications/eng-manuals/em1110-2-1304/entire.pdf>.

Table 2.2 shows the effects of the construction schedule and escalation assumptions on total project capital expenditures. The table shows annual expenditures by SCC category in year of expenditure dollars, including finance charges as described in Section 2.3. With escalation, the annual capital expenditure is estimated to be \$4.1 million in 2009, rising to about \$100 million per year during construction from 2012 to 2014, with a maximum of about \$117 million in 2013 during the peak of construction. The escalation and finance charges transform the estimated capital cost of \$246.0 million in constant 2007 dollars into a total project cost of \$337.1 million in year-of-expenditure dollars, including construction-period finance charges.

Table 2.2 Projected Construction Expenditures

SCC Category	2008	2009	2010	2011	2012	2013	2014	2015	Total
Guideway and Track Elements	\$0	\$0	\$0	\$0	\$28,406,883	\$29,802,507	\$15,631,950	\$0	\$73,841,341
Stations, Stops, Terminals, Intermodal	\$0	\$0	\$0	\$0	\$9,845,178	\$10,328,869	\$5,418,162	\$0	\$25,592,209
Support Facilities: Yards, Shops, Administration Buildings.	\$0	\$0	\$0	\$0	\$7,195,139	\$7,548,635	\$0	\$0	\$14,743,775
Sitework and Special Conditions	\$0	\$0	\$0	\$0	\$3,432,975	\$3,601,636	\$1,888,592	\$0	\$8,923,204
Systems	\$0	\$0	\$0	\$0	\$14,716,926	\$30,878,598	\$32,395,656	\$0	\$77,991,180
ROW, Land, Existing Improvements	\$0	\$0	\$0	\$0	\$12,228,305	\$0	\$0	\$0	\$12,228,305
Vehicles	\$0	\$0	\$0	\$0	\$21,946,383	\$23,024,604	\$24,154,398	\$0	\$69,125,385
Professional Services	\$0	\$4,123,122	\$5,022,004	\$10,073,470	\$5,892,363	\$7,064,594	\$9,766,122	\$0	\$41,941,675
Finance Charges	\$0	\$0	\$0	\$0	\$1,560,108	\$4,348,295	\$6,810,069	\$0	\$12,718,472
Project Total	\$0	\$4,123,122	\$5,022,004	\$10,073,470	\$105,224,261	\$116,597,739	\$96,064,949	\$0	\$337,105,545
Allocated Contingency									\$62,576,073

Note: 1) All figures expressed in year-of-expenditure dollars; and 2) Allocated contingency shown in table corresponds to \$47,366,000 value described above when expressed in constant 2007 dollars.

2.2 PROJECT CAPITAL FUNDING

The project is assumed to be financed by a combination of Federal and local RTA funding sources. The funding sources are described in this section.

2.2.1 FTA New Starts Capital Grant

This Financial Plan assumes that the project will successfully compete for discretionary Section 5309 New Starts funding from the Federal Transit Administration (FTA) to cover nearly 60 percent of project capital costs. The total Federal New Starts funding is assumed to amount to \$186.9 million, based on the year-of-expenditure project construction cost described above. Funds are assumed to be available following the execution of a FFGA with the FTA in January 2012. Annual amounts of more than \$50 million are needed in each of the three construction years from 2012 to 2014.

2.2.2 Interim Funding Sources

The majority of the non-Federal share of the funding for the project will come from a share of the planned Dane County sales tax. However, because the sales tax will not be implemented until January 2012, a total of \$6.8 million from a combination of Federal, state, and local sources will be used to fund project development activities (professional services) through the FTA decision on entering Final Design in October 2010. A further \$12.5 million from Federal, state, and local sources will be used to fund project development activities (professional services) through the execution of the FFGA in January 2012.

This Financial Plan assumes that Federal funding will be available to support 80 percent of the costs of project development activities (professional services) before the execution of a New Starts FFGA in January 2012, including Preliminary Engineering, the Final Environmental Impact Statement, and Final Design. This is consistent with the level of Federal participation from earmarks and other sources for Transport 2020 project development activities to date.

The Wisconsin Department of Transportation has pledged \$2.0 million for alternatives analysis, Environmental Impact Statement activities, and some preliminary engineering work, of which approximately \$1,250,000 remains available for future activities.

Dane County plans to make available funds from general bond proceeds to cover the remainder of project development costs through the initiation of the sales tax. When the sales tax is introduced, the RTA will reimburse Dane County for those contributions. This Financial Plan assumes that the RTA will pay interest at a six percent annual rate on this interim funding. The total liability for the RTA is expected to amount to \$2.8 million in 2012.

2.2.3 RTA Direct Capital Investment

The RTA will cover the remainder of the capital costs of the project from local sales tax and bond proceeds, which amounts to \$133.8 million. This funding will be derived from the project's share of the planned Dane County sales tax, which is expected to generate \$17.4 million in 2012. The RTA plans to issue about \$98 million in bonds backed by revenues from the sales tax to cover a portion of the local share of the project's construction costs. The revenue forecasts for the sales tax are described in more detail in Section 3.3.

Table 2.3 summarizes the funding sources and levels of commitment for the Transport 2020 commuter rail project. The values correspond to the estimated construction cost of \$246.0 million in constant 2007 dollars, but reflect year of expenditure dollars and construction-period finance charges as described above.

Table 2.3 Project Funding Sources

Sources of Funds	Funding Level	Funding Share	Level of Commitment
<i>Federal Sources</i>			
FTA Section 5309 New Starts	\$186,888,450	55%	Planned
Federal Pre-FFGA Funding	\$15,374,877	5%	Planned
Federal CMAQ Grants	\$0	0%	Planned
<i>Total Federal Funds</i>	<i>\$202,263,327</i>	<i>60%</i>	
<i>Non-Federal Sources</i>			
State Commuter Rail Program	\$0	0%	Planned
State PE Contribution	\$1,250,000	0%	Committed
Local Interim Funding	(\$241,583)	0%	Planned
RTA Bonds	\$97,720,148	29%	Planned
RTA Direct Investment	\$36,113,653	11%	Planned
<i>Total Non-Federal Funds</i>	<i>\$134,842,218</i>	<i>40%</i>	
Total Project Budget	\$337,105,545	100%	

Note: 1) Local Interim Funding reflects net cost to RTA (including interest) after repaying funds lent by Dane County prior to initiation of the RTA sales tax; and 2) All figures expressed in year-of-expenditure dollars.

2.2.4 Other Funding Sources

Although other sources of funding could be applied to the construction of the project, such as Federal funding under the Congestion Mitigation and Air Quality (CMAQ) Program or state funding under the Commuter Rail Development Program, no such capital funding was included as a conservative assumption in this Financial Plan. In 2007, Dane County had several violations of the daily standard for fine particulates which may influence the EPA

designation process – expected by August 2008. If Dane County is designated as nonattainment with the National Ambient Air Quality Standards, then CMAQ funds would become available to the region. Such programs could provide additional resources in the event of project cost overruns or other unforeseen circumstances.

The Commuter Rail Development Program was created under the 2003 to 2005 Wisconsin State Budget (2003 Wisconsin Act 33) to provide grants in partial support of engineering, property acquisition, equipment acquisition, and infrastructure construction projects related to the development or extension of commuter rail transit systems in the State. By statute, this program may pay up to one-half of the non-Federal share of annual project capital costs or 25 percent of project costs, whichever is less.⁶ No funds for construction of commuter rail projects have been appropriated to this program to date.

2.3 ADEQUACY OF LOCAL FINANCIAL COMMITMENT

The proposed RTA sales tax, combined with the issuance of debt against future sales tax proceeds, is expected to be adequate to fund the project's non-Federal share. Table 2.4 shows the capital account cash flows associated with the project during the construction and operations period through the project horizon of 2030. Expenditures in 2015 and beyond include debt service of bonds issued to support the project's capital costs.

2.3.1 Borrowing, Debt Level and Ratings

Some borrowing will likely be needed during construction in 2012 to 2014 to meet the large annual demand for resources during this intensive period. This Financial Plan assumes that the RTA will issue bonds for \$34.7 million in 2012, \$35.5 million in 2013, and \$27.6 million in 2014 to meet construction obligations not covered by accumulated tax revenues. This debt amounts to about \$98 million, or 73 percent of the RTA's total capital contribution to the project.

The Financial Plan assumes that the RTA will have a similar rating as the Miller Park Stadium Authority, a special-purpose public authority supported by a 0.1 percent sales tax in five counties in the Milwaukee metropolitan area. Based on experience with the stadium bonds, it is assumed that the RTA will issue bonds with a 20-year maturity at 4.5 percent, resulting in annual debt service costs of \$7.8 million. A total amount of \$12.7 million is expected to be incurred as finance charges during the construction period through the initiation of revenue service in early 2015.

⁶ State of Wisconsin Statutes. *Section 85.064: Commuter Rail Transit System Development Grant Program.*

The debt service coverage ratios (after O&M costs are covered) rise from about 2 to more than 20 through the construction and operating period ending in 2030, which suggests that the RTA has the capacity to support a higher level of debt than the level currently assumed in this Financial Plan.

2.3.2 Contingencies

The capital cost estimate includes a 24 percent contingency applied to the construction costs, which reflects the current level of design and the uncertainties inherent in the development of similar projects. The contingency is estimated at \$47.4 million dollars (constant 2007 dollars). This contingency is conservative and provides for potential cost increases as the project advances through the design process.

However, if project cost overruns exceed the levels included in the contingency, some project cost overruns may be accommodated within the RTA's unused borrowing authority. For example, if total project construction costs rise to the "High Cost" construction cost scenario following execution of a Full Funding Grant Agreement with the FTA, the RTA would be able to complete the project with somewhat less than twice as much debt. Under this scenario, the RTA would be able to maintain positive cash balances in its combined capital and operating accounts throughout the analysis period. The RTA also would be able to maintain adequate debt service coverage ratios throughout this period. This scenario is described in more detail in Section 4.2.

2.3.3 Potential Actions in the Event of Federal Funding Shortfalls

Likewise, if Federal funding does not meet expectations in terms of either magnitude or timing, some project funding shortfalls may be accommodated within the RTA's unused borrowing authority. Although the project should receive a larger share, if New Starts funding amounted to only 50 percent of the project cost (or about \$150 million), the RTA would be able to complete the project with somewhat greater debt. Under this scenario, the RTA would be able to maintain positive cash balances in its combined capital and operating accounts throughout the analysis period. The RTA also would be able to maintain adequate debt service coverage ratios throughout this period. This scenario is also described in more detail in Section 4.2.

Table 2.4 Project Capital Cash Flow

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Capital Revenues																							
FTA Section 5309 New Starts	0	0	0	\$59.3	\$70.0	\$57.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$186.9
Federal Pre-FFGA Funding	\$3.3	\$4.0	\$8.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$15.4
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State PE Contribution	\$0.4	\$0.5	\$0.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3
Local Interim Funding	\$0.4	\$0.5	\$1.7	-\$2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.2
RTA Direct Capital Investment	0	0	0	\$14.1	\$11.2	\$10.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$160.3
Long-Term Bond Proceeds	0	0	0	\$34.7	\$35.5	\$27.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$97.7
Total Capital Revenues	\$4.1	\$5.0	\$10.1	\$105.2	\$116.6	\$96.1	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$461.3
Capital Expenditures																							
T2020 Commuter Rail Project	\$4.1	\$5.0	\$10.1	\$103.7	\$112.2	\$89.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$324.4
Long-Term Debt Service	0	0	0.0	\$1.6	\$4.3	\$6.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$136.9
Total Capital Expenditures	\$4.1	\$5.0	\$10.1	\$105.2	\$116.6	\$96.1	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$461.3

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding.

3.0 Operating Plan

This section summarizes the assumptions and methodologies used to develop the RTA's operating plan, which focuses on the operation of the Transport 2020 Commuter Rail New Start project. The purpose of this section is to demonstrate that the RTA has the financial capacity to operate the project through at least the planning horizon of the project in 2030.

3.1 PROJECT OPERATING PLAN

The Transport 2020 commuter rail service is planned to operate on upgraded Union Pacific and Wisconsin and Southern Railroad tracks between a park-and-ride facility at U.S. Highway 12/14 in Middleton and a park-and-ride facility at Reiner Road near Sun Prairie (temporal separation of freight and passenger rail service is assumed). The service will operate as two overlapping branches, in order to provide more frequent service through the Madison isthmus (the overlapping segment is between the Whitney Way / Hill Farms and Fair Oaks stations).

Each of the 140 weekday one-way trips (70 on each branch) and 80 Saturday trips (40 on each branch) would serve each of 17 stations en route. This train schedule would provide 20-minute frequencies in the peak-periods on the outer ends of each branch (with 10-minute effective frequencies through the University of Wisconsin campus and Capitol Square). During the offpeak-periods, 40-minute frequencies would be provided on the outer ends of each branch (with 20-minute effective frequencies in the isthmus).

Eleven trains (including two spares) are required to provide peak service. Each train will consist of one articulated DMU or hybrid technology commuter rail vehicle.

The following annual operating statistics are projected for this schedule:

- 30,395 Annual Revenue Train-Hours; and
- 482,548 Annual Revenue Train-Miles.

The proposed operating plan is described in the *Operating Costs* report.⁷

⁷ Transport 2020. *Madison Wisconsin Operating Alternatives: Task 4 Revised Operating Costs*. January 31, 2008.

3.2 ANNUAL OPERATING AND MAINTENANCE COSTS

The Transport 2020 total annual commuter rail operating and maintenance (O&M) costs were developed using a detailed cost allocation model that developed estimates of costs in nine major expense categories. Cost estimates were developed using service statistics from the operating plan as cost drivers.

Table 3.1 Transport 2020 Annual O&M Cost Estimate

Expense Category	Total Expense
Rail Transportation	
Train Crews	\$2,144,010
Dispatching and supervision	\$607,529
Fuel	\$737,022
<i>Transportation Total</i>	<i>\$3,488,562</i>
Maintenance of Equipment	
Labor	\$874,038
Materials	\$633,985
<i>MOE Total</i>	<i>\$1,508,023</i>
Maintenance of Way	
Labor	\$358,962
Materials	\$1,637,961
<i>MOW Total</i>	<i>\$1,996,923</i>
Trackage Fees	
WSOR and UP	\$250,000
<i>Subtotal</i>	<i>\$7,243,508</i>
Administration	
15%	\$1,086,527
Grand Total	\$8,330,039

Note: All figures expressed in constant 2007 dollars.

This process yielded an O&M cost estimate of \$8.3 million in constant 2007 dollars. The estimate reflects proposed changes in Metro Transit bus service associated with introduction of the rail service. Because these changes were found to have a negative impact of more than \$400,000 (about one percent of Metro Transit's annual budget), zero net cost is assumed in this Financial Plan as a conservative assumption. More information on the Metro Transit operating

costs is provided in the *Metro Transit Operating and Maintenance Cost Allocation Model* documentation.⁸

The estimate also includes \$1.1 million in Administrative expenses, which includes the operating costs of the RTA. The development of O&M cost estimates is described in the *Operating Costs* report.⁹

Separate annual growth rates were assumed for each major expense category based on Metro Transit experience between 1997 and 2006, which corresponds to the period since the last major service restructuring. Metro Transit growth rates were adjusted for changes in system productivity using cost drivers associated with each expense category. More information on the Metro Transit operating costs is provided in the *Metro Transit Operating and Maintenance Cost Allocation Model* documentation.¹⁰

Table 3.2 O&M Cost Growth

Expense Category	Total Expense
Rail Transportation	
Train Crews	3.42%
Dispatching and supervision	3.42%
Fuel	10.00%
Maintenance of Equipment	
Labor	3.42%
Materials	2.20%
Maintenance of Way	
Labor	3.42%
Materials	2.20%
Trackage Fees	
WSOR and UP	2.20%
Administration	
Total	2.81%

⁸ Transport 2020. *Metro Transit Operating and Maintenance Cost Allocation Model*. Draft January 10, 2008.

⁹ Transport 2020. *Madison Wisconsin Operating Alternatives: Task 4 Revised Operating Costs*. January 31, 2008.

¹⁰Transport 2020. *Metro Transit Operating and Maintenance Cost Allocation Model*. Draft January 10, 2008.

These category-specific inflation rates result in an overall compounded annual growth rate in Transport 2020 O&M costs of 4.5 percent through the analysis period. This growth assumption results in an annual operating and maintenance (O&M) cost ranging from \$11.2 million in 2015 to \$21.5 million in 2030.

3.3 ANNUAL OPERATING REVENUES

The operating and maintenance costs of the project are assumed to be financed by a combination of Federal, state, and local RTA funding sources. These funding sources include:

3.3.1 Federal Section 5307 Operating Assistance

The FTA Section 5307 Urbanized Area Formula Program distributes funding to regional transit agencies based on population; population density; bus and fixed guideway revenue vehicle miles; and bus and fixed guideway passenger miles. As shown in Table 3.3, FTA Section 5307 Urbanized Area Formula Program funding has covered 10.6 percent of operating costs in Madison between 2001 and 2005. Funding levels from this source have grown at an annual rate of 7.7 percent between 2001 and 2005. Assuming that this funding covers 10 percent of Transport 2020 O&M expenses and grows at a five percent annual rate (about one-half of the statewide growth rate of 9.6 percent), Federal formula funding amounts to \$1.4 million in 2017, rising to \$2.7 million in 2030. No Federal funding is included in the first two years of operations to allow time for national formula adjustments.

In 2006, regions with commuter rail received a floor amount of formula funding of \$7,652,551, plus apportionments based on the other criteria. It is likely that the region would qualify for a greater level of Federal operating assistance than assumed in this Financial Plan.

3.3.2 State Section 85.020 Mass Transit Operating Assistance

This state program currently provides about \$100 million annually to fund local urban public transit system operations in Wisconsin. Commuter rail operations would be eligible under this program. This program is now widely used by urban bus transit and taxi systems and total program funding would need to be increased to also fund commuter rail. As shown in Table 3.3, state funding covered 39.7 percent of transit operating expenses in Madison between 2001 and 2005. It is assumed that funding from this program will cover 40 percent of commuter rail operating and maintenance costs. Statewide funding levels from this source have grown at an annual rate of 1.5 percent from 2001 to 2005, and total program funding has not changed significantly since 2003. It is assumed that this funding will grow at an average annual rate of 1.5 percent per year following a one-time increase in overall appropriations to cover commuter rail operating costs. Accordingly, state formula funding amounts to \$3.7 million in 2015, rising to \$4.6 million in 2030.

**Table 3.3 Historical Transit Operating Funding in Madison
2001 to 2005**

	2001	2002	2003	2004	2005	Total	Compound Annual Growth Rate	Share of Total
Operating Expense								
Metro Transit	\$40,091,000	\$36,063,819	\$35,848,854	\$36,657,732	\$39,462,558	\$188,123,963	-0.4%	
<i>Statewide Total</i>	<i>\$233,364,406</i>	<i>\$239,861,178</i>	<i>\$244,100,394</i>	<i>\$251,567,051</i>	<i>\$259,940,165</i>	<i>\$1,228,833,194</i>	<i>2.7%</i>	
Federal								
Metro Transit	\$3,600,000	\$3,458,057	\$3,665,540	\$4,382,160	\$4,842,244	\$19,948,001	7.7%	10.6%
<i>Statewide Total</i>	<i>\$31,056,771</i>	<i>\$33,392,529</i>	<i>\$35,651,754</i>	<i>\$40,389,402</i>	<i>\$44,811,587</i>	<i>\$185,302,043</i>	<i>9.6%</i>	<i>15.1%</i>
State								
Metro Transit	\$14,297,600	\$14,869,500	\$15,166,900	\$15,166,900	\$15,166,900	\$74,667,800	1.5%	39.7%
<i>Statewide Total</i>	<i>\$93,006,500</i>	<i>\$96,726,800</i>	<i>\$98,661,399</i>	<i>\$98,661,320</i>	<i>\$98,661,400</i>	<i>\$485,717,419</i>	<i>1.5%</i>	<i>39.5%</i>
Local								
Metro Transit	\$13,913,788	\$9,021,584	\$8,316,218	\$7,426,859	\$11,556,735	\$50,235,184	-4.5%	26.7%
<i>Statewide Total</i>	<i>\$45,841,095</i>	<i>\$43,262,249</i>	<i>\$46,597,834</i>	<i>\$44,234,068</i>	<i>\$49,739,072</i>	<i>\$229,674,318</i>	<i>2.1%</i>	<i>18.7%</i>
Farebox								
Metro Transit	\$8,279,612	\$8,714,678	\$8,700,195	\$9,681,813	\$7,896,679	\$43,272,977	-1.2%	23.0%
<i>Statewide Total</i>	<i>\$63,460,039</i>	<i>\$66,479,600</i>	<i>\$63,189,407</i>	<i>\$68,282,261</i>	<i>\$66,728,106</i>	<i>\$328,139,413</i>	<i>1.3%</i>	<i>26.7%</i>

Source: Wisconsin Department of Transportation. Transit Public Funding Distribution by Calendar Year, 1977 to 2005.

3.2.3 Project Farebox Revenues

Farebox revenues are estimated based on annual ridership forecasts and average fare assumptions. Ridership is assumed to grow in a linear manner between a 2002 forecast of 6,583 passengers per weekday and a 2030 forecast of 10,980 passengers per weekday, based on patronage forecasts presented in Section 3.0 of the New Starts submittal. To develop annual forecasts, an annualization factor of 260 typical weekdays per year is used. This is considered to be a conservative assumption, since commuter rail service also is assumed to operate on weekends. This reflects an annual ridership of 1,712,000 unlinked trips in 2002 and 2,855,000 unlinked trips in 2030. By linear interpolation, opening year ridership is estimated to be 2,242,000 in 2015, rising to 2,855,000 in 2030. These annual ridership forecasts are multiplied by an average fare based on current Metro Transit fare schedules (\$1.50 base fare). To reflect the high-level of pass usage in Madison, particularly among university students, fare revenue per unlinked trip of \$0.78 in constant 2007 dollars is used. Fare levels are assumed to increase with inflation at an average annual rate of 2.2 percent. Opening year average fare is thus \$0.93 in 2015, rising to \$1.29 in 2030. This yields farebox revenues ranging from \$2.1 million in 2015 to \$3.7 million in 2030. Farebox recovery ratios fluctuate between 17 and 19 percent, for an average of 18.1 percent over the analysis period.

No other potential system-generated revenues, such as from advertising, concessions, real estate, or commuter parking fees, are included in this Financial Plan.

3.2.4 RTA Sales Tax

Decision-makers in Dane County have agreed in concept to a 0.5 percent sales tax to fund regional transportation improvements in the future. Although there is some flexibility in the allocation between uses of the tax, this Financial Plan assumes that one-third of the proceeds will be dedicated to the implementation and operation of the Transport 2020 Commuter Rail Project. The sales tax is assumed to be approved by referendum in November 2010, following indication by FTA of its intent to approve entry into Final Design. Collection of the tax will be contingent on FTA approval of the FFGA. Accordingly, the sales tax is assumed to be implemented after completion of the Final Design Phase, or January 1, 2012.

The sales tax corresponds in tax base and tax rate to a county option sales tax imposed in Dane County in 1991. Since 1993, the sales tax revenues have increased from about \$20.0 million to \$42.5 million in 2006, which corresponds to a compounded annual growth rate of six percent. Since 2002, the sales tax revenues have increased at an annual rate of 3.5 percent. Assuming this lower growth rate going forward, the Transport 2020 share of the sales tax is expected to amount to \$17.4 million in 2012 and \$32.2 million in 2030.

Table 3.4 Dane County Option Sales Tax Revenues
2002 to 2006

	2002	2003	2004	2005	2006	2002 to 2006 Compound Annual Growth Rate
Dane County Sales Tax Revenues	\$37.0	\$38.4	\$41.1	\$41.3	\$42.5	3.5%

Source: Wisconsin Department of Revenue.

3.2.5 Bond Proceeds

The RTA is considering a legislative request for bond authority backed by the sales tax revenue stream. The cash flow analysis assumes that the RTA will borrow as needed during the construction and operations periods to maintain a positive cash balance and adequate cash flow to cover at least 150 percent of debt service requirements.

Borrowing during the operations period is assumed to be made using short-term debt at higher commercial rates. Commercial bonds that mature over five years at a six percent annual interest rate are assumed.

3.4 ADEQUACY OF LOCAL FINANCIAL COMMITMENT

The proposed RTA sales tax, combined with the issuance of debt against future tax proceeds, is expected to be adequate to fund the project. Table 3.5 shows the RTA's combined capital and operating account cash flows associated with the project during the analysis period. Because the RTA is a new entity, the cash flow forecast does not include any historical data.

3.4.1 Description of Cash Reserves for Potential Cost Increases

The RTA is expected to accumulate a rising cash surplus/reserve in each year after initiation of rail service ranging from \$5.6 million in 2015 to more than \$13 million in 2030, resulting in an accumulated fund balance of more than \$180 million by 2030. This positive cash flow provides substantial reserves for unforeseen increases in capital or operating costs, reductions in subsidies from other levels of government, of shortfalls in ridership or fare revenue. The project sponsors view that any reserve also may support planning and implementation of transit expansion to the airport and other communities.

Table 3.5 Project Capital and Operating Cash Flow

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
Operating																								
<i>Operating Revenues</i>																								
FTA Section 5307 Formula Program	0	0	0	0	0	0	0	0	\$1.4	\$1.5	\$1.6	\$1.6	\$1.7	\$1.8	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.6	\$2.7	\$27.9	
State Transit Operating Assistance	0	0	0	0	0	0	\$3.7	\$3.8	\$3.8	\$3.9	\$3.9	\$4.0	\$4.0	\$4.1	\$4.2	\$4.2	\$4.3	\$4.4	\$4.4	\$4.5	\$4.6	\$4.6	\$66.3	
RTA Sales Tax Revenue	0	0	0	\$17.4	\$18.0	\$18.6	\$19.3	\$19.9	\$20.6	\$21.3	\$22.1	\$22.8	\$23.6	\$24.5	\$25.3	\$26.2	\$27.1	\$28.1	\$29.0	\$30.0	\$31.1	\$32.2	\$457.1	
T2020 Farebox Revenues	0	0	0	0	0	0	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5	\$2.6	\$2.7	\$2.8	\$2.9	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.7	\$45.1	
Short-Term Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Total Operating Revenues</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$17.4</i>	<i>\$18.0</i>	<i>\$18.6</i>	<i>\$25.0</i>	<i>\$25.8</i>	<i>\$28.1</i>	<i>\$29.0</i>	<i>\$30.0</i>	<i>\$31.0</i>	<i>\$32.1</i>	<i>\$33.1</i>	<i>\$34.2</i>	<i>\$35.4</i>	<i>\$36.6</i>	<i>\$37.8</i>	<i>\$39.1</i>	<i>\$40.4</i>	<i>\$41.7</i>	<i>\$43.2</i>	<i>\$596.5</i>	
<i>Operating Costs</i>																								
RTA Reserve Fund	0	0	0	0	0	0	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$1.1	
T2020 O&M Expenses	0	0	0	0	0	0	\$11.2	\$11.6	\$12.1	\$12.5	\$13.1	\$13.6	\$14.2	\$14.8	\$15.5	\$16.2	\$16.9	\$17.7	\$18.6	\$19.5	\$20.4	\$21.5	\$249.2	
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<i>Total Operating Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$11.7</i>	<i>\$11.6</i>	<i>\$12.1</i>	<i>\$12.6</i>	<i>\$13.1</i>	<i>\$13.6</i>	<i>\$14.2</i>	<i>\$14.9</i>	<i>\$15.5</i>	<i>\$16.2</i>	<i>\$17.0</i>	<i>\$17.7</i>	<i>\$18.6</i>	<i>\$19.5</i>	<i>\$20.5</i>	<i>\$21.5</i>	<i>\$250.3</i>	
Balance from Operations	0	0	0	\$17.4	\$18.0	\$18.6	\$13.3	\$14.2	\$16.0	\$16.5	\$16.9	\$17.4	\$17.8	\$18.3	\$18.7	\$19.2	\$19.6	\$20.0	\$20.5	\$20.9	\$21.3	\$21.6	\$346.2	
Capital																								
<i>Capital Revenues</i>																								
FTA Section 5309 New Starts	0	0	0	\$59.3	\$70.0	\$57.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$186.9	
Federal Pre-FFGA Funding	\$3.3	\$4.0	\$8.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$15.4	
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State PE Contribution	\$0.4	\$0.5	\$0.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3	
Local Interim Funding	\$0.4	\$0.5	\$1.7	-\$2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.2	
Long-Term Bond Proceeds	0	0	0	\$34.7	\$35.5	\$27.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$97.7	
<i>Total Capital Revenues</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$91.1</i>	<i>\$105.4</i>	<i>\$85.2</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$301.0</i>	
<i>Capital Expenditures</i>																								
T2020 Commuter Rail Project	\$4.1	\$5.0	\$10.1	\$103.7	\$112.2	\$89.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$324.4	
Long-Term Debt Service	0	0	0	\$1.6	\$4.3	\$6.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$7.8	\$136.9
<i>Total Capital Expenditures</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$105.2</i>	<i>\$116.6</i>	<i>\$96.1</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$7.8</i>	<i>\$461.3</i>	
Change in Capital Costs	0	0	0	-\$14.1	-\$11.2	-\$10.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$7.8	-\$160.3	
Beginning Cash Balance	0	0	0	0	\$3.3	\$10.1	\$17.9	\$23.4	\$29.9	\$38.2	\$46.9	\$56.0	\$65.6	\$75.7	\$86.2	\$97.2	\$108.6	\$120.4	\$132.7	\$145.4	\$158.6	\$172.1		
Change to Cash Balance	0	0	0	\$3.3	\$6.8	\$7.8	\$5.6	\$6.5	\$8.3	\$8.7	\$9.2	\$9.6	\$10.1	\$10.5	\$11.0	\$11.4	\$11.9	\$12.3	\$12.7	\$13.1	\$13.5	\$13.9	\$186.0	
Ending Cash Balance	0	0	0	\$3.3	\$10.1	\$17.9	\$23.4	\$29.9	\$38.2	\$46.9	\$56.0	\$65.6	\$75.7	\$86.2	\$97.2	\$108.6	\$120.4	\$132.7	\$145.4	\$158.6	\$172.1	\$186.0		

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding

4.0 Risks and Uncertainties

This Financial Plan includes conservative assumptions in the form of capital cost contingencies, funding levels below historical experience or reasonable expectations from various revenue sources, and low growth rates in revenue sources in its conclusion that the RTA has adequate financial resources to construct and implement the Transport 2020 commuter rail project.

If future conditions are worse than the conservative assumptions reflect, the RTA has cash reserves and bonding capacity to cover many more pessimistic scenarios.

4.1 SENSITIVITY ANALYSIS METHODOLOGY

A sensitivity analysis was conducted that consists of several “stress tests” in which one or more parameters were changed to evaluate the effects of more pessimistic assumptions on the project sponsor’s ability to implement the project. Scenarios included two scenarios that affect finances primarily during the construction period, two scenarios that affect finances primarily during the operations period, and two combined scenarios, as described in Table 4.1.

Table 4.1 Sensitivity Scenarios Evaluated

Scenario	Description
<i>Construction Period Scenarios</i>	
A1	<p>Construction Cost Overruns at the High Cost Scenario</p> <p>The “High Cost” estimate of construction costs reflects an overrun of approximately 24 percent over the “Most Likely Cost” estimate, or a total cost of about \$306.6 million in constant 2007 dollars (not including finance charges). At the same time, the New Starts share remains unchanged to reflect cost overruns that occur after the FFGA is executed. The “High Cost” estimate corresponds to an annual construction cost escalation rate of nearly 10 percent. This rate is significantly greater than the fastest rate of growth in the U.S. Army Corps of Engineers Construction Cost Index System for Roads Railroads, and Bridges, adjusted for Wisconsin, since 1988 of 7.3 percent, which occurred in 2004.</p>
A2	<p>Federal New Starts Share at 50 Percent</p> <p>Although the project should receive a larger share, a 50 percent share was evaluated based on the Congressional Conference Report that accompanied the FY 2002 Department of Transportation Appropriations Act, which instructs “FTA not to sign any new full funding grant agreements after September 30, 2002 that have a maximum Federal share of higher than 60 percent.” A lower New Starts share was tested to explore the potential impacts of further restrictions by Congress on allowable Federal funding levels.</p>

<i>Operating Period Scenarios</i>	
B1	<p>RTA Sales Tax Revenue Growth Stagnant</p> <p>This scenario assumes that there is no growth in RTA sales tax revenues over time from the 2006 level.</p>
B2	<p>Significantly Higher O&M Costs, Significantly Lower Ridership, Stagnant State Operating Assistance, and Slower Growth in RTA Tax Revenues</p> <p>A combination of pessimistic operating period scenarios is evaluated, including O&M costs at 150 percent of estimates, ridership at 50 percent of forecasts, no growth in state operating assistance over time, and growth in RTA sales tax revenues at 2.1 percent per year. The O&M cost and ridership assumptions reflect extreme deviations from forecasts prepared for Transport 2020. The assumption of stagnant state operating funding reflects a long-term freeze in state Section 85.20 Urban Mass Transit Operating Assistance Program funding levels, as occurred between 2003 and 2005. The RTA sales tax assumption reflects slower growth in Dane County retail sales through 2036, based on national macroeconomic forecasts developed by Moody's Economy.com.</p>
<i>Combined Scenarios</i>	
C1	<p>Moderately Higher Construction Costs, Moderately Higher O&M Costs and Lower Ridership, and Slower Growth in RTA Sales Tax Revenues</p> <p>A combination of pessimistic construction scenarios with implications in the construction and operations periods is evaluated, including construction cost overruns (after the FFGA is executed) of 10 percent, O&M costs at 110 percent of estimates, ridership at 90 percent of forecasts, and growth in RTA sales tax revenues per the Moody's Economy.com forecast.</p>

4.2 RESULTS

Under each scenario, the RTA is able to maintain positive cash balances and adequate debt service coverage ratios throughout the construction and operating periods. Some details of changes under each scenario follow:

- **Scenario A1 (Construction Cost Overruns at the High Cost Scenario).** With the increased construction costs and unchanged New Starts contribution, long-term borrowing nearly doubles to about \$182 million. To maintain adequate debt service coverage ratios, a total of about \$26.4 million of short-term borrowing is required in the first six years of operations. The total project surplus/reserve is reduced by more than one-half to about \$70 million in 2030. The cash flow of this scenario is shown in Table 4.2.
- **Scenario A2 (Federal New Starts Share at 50 Percent).** With the increased local share, long-term borrowing rises to about \$140 million. The total project surplus/reserve remains above \$130 million in 2030. The cash flow of this scenario is shown in Table 4.3.
- **Scenario B1 (RTA Sales Tax Revenue Growth Stagnant).** With RTA sales tax revenues capped at \$14.2 million per year, construction period debt increases to about \$112 million. The RTA also accumulates a smaller surplus

during each year of operations, and begins to run a cash operating deficit in 2030. However, the total project surplus/reserve remains above \$40 million in 2030. The cash flow of this scenario is shown in Table 4.4.

- **Scenario B2 (Significantly Higher O&M Costs, Significantly Lower Ridership, Stagnant State Operating Assistance, and Slower Growth in RTA Tax Revenues).** With a combination of pressures, the RTA accumulates a smaller surplus during each year of operations, but maintains positive operating cash flow through 2030. The total project surplus/reserve remains above \$30 million in 2030. The cash flow of this scenario is shown in Table 4.5.
- **Scenario C1 (Moderately Higher Construction Costs, Moderately Higher O&M Costs and Lower Ridership, and Slower Growth in RTA Sales Tax Revenues).** With a combination of pressures, long-term borrowing rises to about \$144 million. The RTA accumulates a smaller surplus/reserve during each year of operations, but maintains positive operating cash flow through 2030. The total project surplus remains above \$50 million. The cash flow of this scenario is shown in Table 4.6.

Table 4.2 Cash Flow – Sensitivity Scenario A1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
Operating																								
<i>Operating Revenues</i>																								
FTA Section 5307 Formula Program	0	0	0	0	0	0	0	0	\$1.4	\$1.5	\$1.6	\$1.6	\$1.7	\$1.8	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.6	\$2.7	\$27.9	
State Transit Operating Assistance	0	0	0	0	0	0	\$3.7	\$3.8	\$3.8	\$3.9	\$3.9	\$4.0	\$4.0	\$4.1	\$4.2	\$4.2	\$4.3	\$4.4	\$4.4	\$4.5	\$4.6	\$4.6	\$66.3	
RTA Sales Tax Revenue	0	0	0	\$17.4	\$18.0	\$18.6	\$19.3	\$19.9	\$20.6	\$21.3	\$22.1	\$22.8	\$23.6	\$24.5	\$25.3	\$26.2	\$27.1	\$28.1	\$29.0	\$30.0	\$31.1	\$32.2	\$457.1	
T2020 Farebox Revenues	0	0	0	0	0	0	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5	\$2.6	\$2.7	\$2.8	\$2.9	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.7	\$45.1	
Short-Term Bond Proceeds	0	0	0	0	0	0	\$6.3	\$4.9	\$3.9	\$4.3	\$5.3	\$1.7	0	0	0	0	0	0	0	0	0	0	\$26.4	
<i>Total Operating Revenues</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$17.4</i>	<i>\$18.0</i>	<i>\$18.6</i>	<i>\$31.3</i>	<i>\$30.7</i>	<i>\$32.0</i>	<i>\$33.3</i>	<i>\$35.3</i>	<i>\$32.7</i>	<i>\$32.1</i>	<i>\$33.1</i>	<i>\$34.2</i>	<i>\$35.4</i>	<i>\$36.6</i>	<i>\$37.8</i>	<i>\$39.1</i>	<i>\$40.4</i>	<i>\$41.7</i>	<i>\$43.2</i>	<i>\$622.9</i>	
<i>Operating Costs</i>																								
RTA Reserve Fund	0	0	0	0	0	0	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$1.1	
T2020 O&M Expenses	0	0	0	0	0	0	\$11.2	\$11.6	\$12.1	\$12.5	\$13.1	\$13.6	\$14.2	\$14.8	\$15.5	\$16.2	\$16.9	\$17.7	\$18.6	\$19.5	\$20.4	\$21.5	\$249.2	
Debt Service	0	0	0	0	0	0	\$0.4	\$2.1	\$3.5	\$4.6	\$5.9	\$5.4	\$4.4	\$3.3	\$2.0	\$0.5	0	0	0	0	0	0	\$32.0	
<i>Total Operating Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$12.1</i>	<i>\$13.7</i>	<i>\$15.5</i>	<i>\$17.2</i>	<i>\$19.0</i>	<i>\$19.1</i>	<i>\$18.6</i>	<i>\$18.1</i>	<i>\$17.5</i>	<i>\$16.7</i>	<i>\$17.0</i>	<i>\$17.7</i>	<i>\$18.6</i>	<i>\$19.5</i>	<i>\$20.5</i>	<i>\$21.5</i>	<i>\$282.3</i>	
Balance from Operations	0	0	0	\$17.4	\$18.0	\$18.6	\$19.3	\$17.0	\$16.4	\$16.1	\$16.3	\$13.7	\$13.4	\$15.0	\$16.7	\$18.7	\$19.6	\$20.0	\$20.5	\$20.9	\$21.3	\$21.6	\$340.6	
Capital																								
<i>Capital Revenues</i>																								
FTA Section 5309 New Starts	0	0	0	\$74.2	\$87.6	\$25.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$186.9	
Federal Pre-FFGA Funding	\$3.9	\$4.8	\$9.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$18.4	
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State PE Contribution	\$0.5	\$0.6	\$0.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3	
Local Interim Funding	\$0.5	\$0.6	\$2.3	-\$3.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.3	
Long-Term Bond Proceeds	0	0	0	\$48.0	\$49.9	\$83.6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$181.5	
<i>Total Capital Revenues</i>	<i>\$4.9</i>	<i>\$6.0</i>	<i>\$12.1</i>	<i>\$118.5</i>	<i>\$137.6</i>	<i>\$108.6</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$387.7</i>	
<i>Capital Expenditures</i>																								
T2020 Commuter Rail Project	\$4.9	\$6.0	\$12.1	\$129.2	\$140.0	\$112.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$404.6	
Long-Term Debt Service	0	0	0	\$2.2	\$6.1	\$11.5	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$14.4	\$250.3
<i>Total Capital Expenditures</i>	<i>\$4.9</i>	<i>\$6.0</i>	<i>\$12.1</i>	<i>\$131.4</i>	<i>\$146.1</i>	<i>\$123.9</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$14.4</i>	<i>\$654.9</i>	
Change in Capital Costs	0	0	0	-\$12.8	-\$8.5	-\$15.3	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$14.4	-\$267.2	
Beginning Cash Balance	0	0	0	0	\$4.5	\$14.0	\$17.3	\$22.2	\$24.8	\$26.8	\$28.5	\$30.5	\$29.7	\$28.7	\$29.4	\$31.6	\$35.9	\$41.1	\$46.7	\$52.8	\$59.3	\$66.1		
Change to Cash Balance	0	0	0	\$4.5	\$9.5	\$3.3	\$4.8	\$2.6	\$2.0	\$1.7	\$1.9	-\$0.7	-\$1.0	\$0.6	\$2.3	\$4.3	\$5.2	\$5.6	\$6.1	\$6.5	\$6.9	\$7.2	\$73.4	
Ending Cash Balance	0	0	0	\$4.5	\$14.0	\$17.3	\$22.2	\$24.8	\$26.8	\$28.5	\$30.5	\$29.7	\$28.7	\$29.4	\$31.6	\$35.9	\$41.1	\$46.7	\$52.8	\$59.3	\$66.1	\$73.4		

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding.

Table 4.3 Cash Flow – Sensitivity Scenario A2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Operating																							
<i>Operating Revenues</i>																							
FTA Section 5307 Formula Program	0	0	0	0	0	0	0	0	\$1.4	\$1.5	\$1.6	\$1.6	\$1.7	\$1.8	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.6	\$2.7	\$27.9
State Transit Operating Assistance	0	0	0	0	0	0	\$3.7	\$3.8	\$3.8	\$3.9	\$3.9	\$4.0	\$4.0	\$4.1	\$4.2	\$4.2	\$4.3	\$4.4	\$4.4	\$4.5	\$4.6	\$4.6	\$66.3
RTA Sales Tax Revenue	0	0	0	\$17.4	\$18.0	\$18.6	\$19.3	\$19.9	\$20.6	\$21.3	\$22.1	\$22.8	\$23.6	\$24.5	\$25.3	\$26.2	\$27.1	\$28.1	\$29.0	\$30.0	\$31.1	\$32.2	\$457.1
T2020 Farebox Revenues	0	0	0	0	0	0	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5	\$2.6	\$2.7	\$2.8	\$2.9	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.7	\$45.1
Short-Term Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Total Operating Revenues</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$17.4</i>	<i>\$18.0</i>	<i>\$18.6</i>	<i>\$25.0</i>	<i>\$25.8</i>	<i>\$28.1</i>	<i>\$29.0</i>	<i>\$30.0</i>	<i>\$31.0</i>	<i>\$32.1</i>	<i>\$33.1</i>	<i>\$34.2</i>	<i>\$35.4</i>	<i>\$36.6</i>	<i>\$37.8</i>	<i>\$39.1</i>	<i>\$40.4</i>	<i>\$41.7</i>	<i>\$43.2</i>	<i>\$596.5</i>
<i>Operating Costs</i>																							
RTA Reserve Fund	0	0	0	0	0	0	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$1.1
T2020 O&M Expenses	0	0	0	0	0	0	\$11.2	\$11.6	\$12.1	\$12.5	\$13.1	\$13.6	\$14.2	\$14.8	\$15.5	\$16.2	\$16.9	\$17.7	\$18.6	\$19.5	\$20.4	\$21.5	\$249.2
Debt Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Total Operating Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$11.7</i>	<i>\$11.6</i>	<i>\$12.1</i>	<i>\$12.6</i>	<i>\$13.1</i>	<i>\$13.6</i>	<i>\$14.2</i>	<i>\$14.9</i>	<i>\$15.5</i>	<i>\$16.2</i>	<i>\$17.0</i>	<i>\$17.7</i>	<i>\$18.6</i>	<i>\$19.5</i>	<i>\$20.5</i>	<i>\$21.5</i>	<i>\$250.3</i>
Balance from Operations	0	0	0	\$17.4	\$18.0	\$18.6	\$13.3	\$14.2	\$16.0	\$16.5	\$16.9	\$17.4	\$17.8	\$18.3	\$18.7	\$19.2	\$19.6	\$20.0	\$20.5	\$20.9	\$21.3	\$21.6	\$346.2
Capital																							
<i>Capital Revenues</i>																							
FTA Section 5309 New Starts	0	0	0	\$47.2	\$59.2	\$49.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$155.8
Federal Pre-FFGA Funding	\$3.3	\$4.0	\$8.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$15.4
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State PE Contribution	\$0.4	\$0.5	\$0.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3
Local Interim Funding	\$0.4	\$0.5	\$1.7	-\$2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.2
Long-Term Bond Proceeds	0	0	0	\$48.5	\$50.1	\$41.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$139.7
<i>Total Capital Revenues</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$92.8</i>	<i>\$109.3</i>	<i>\$90.5</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$311.9</i>
<i>Capital Expenditures</i>																							
T2020 Commuter Rail Project	\$4.1	\$5.0	\$10.1	\$103.7	\$112.2	\$89.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$324.4
Long-Term Debt Service	0	0	0	\$2.2	\$6.1	\$9.7	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$11.1	\$195.5
<i>Total Capital Expenditures</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$105.8</i>	<i>\$118.4</i>	<i>\$98.9</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$11.1</i>	<i>\$519.9</i>
Change in Capital Costs	0	0	0	-\$13.0	-\$9.0	-\$8.4	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$11.1	-\$208.0
Beginning Cash Balance	0	0	0	0	\$4.4	\$13.3	\$23.5	\$25.8	\$28.9	\$33.8	\$39.2	\$45.0	\$51.3	\$58.0	\$65.2	\$72.8	\$80.9	\$89.4	\$98.4	\$107.7	\$117.5	\$127.7	
Change to Cash Balance	0	0	0	\$4.4	\$8.9	\$10.2	\$2.2	\$3.1	\$4.9	\$5.4	\$5.8	\$6.3	\$6.7	\$7.2	\$7.6	\$8.1	\$8.5	\$9.0	\$9.4	\$9.8	\$10.2	\$10.6	\$138.3
Ending Cash Balance	0	0	0	\$4.4	\$13.3	\$23.5	\$25.8	\$28.9	\$33.8	\$39.2	\$45.0	\$51.3	\$58.0	\$65.2	\$72.8	\$80.9	\$89.4	\$98.4	\$107.7	\$117.5	\$127.7	\$138.3	

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding.

Table 4.4 Cash Flow – Sensitivity Scenario B1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
Operating																								
<i>Operating Revenues</i>																								
FTA Section 5307 Formula Program	0	0	0	0	0	0	0	0	\$1.4	\$1.5	\$1.6	\$1.6	\$1.7	\$1.8	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.6	\$2.7	\$27.9	
State Transit Operating Assistance	0	0	0	0	0	0	\$3.7	\$3.8	\$3.8	\$3.9	\$3.9	\$4.0	\$4.0	\$4.1	\$4.2	\$4.2	\$4.3	\$4.4	\$4.4	\$4.5	\$4.6	\$4.6	\$66.3	
RTA Sales Tax Revenue	0	0	0	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$14.2	\$268.9
T2020 Farebox Revenues	0	0	0	0	0	0	\$2.1	\$2.2	\$2.3	\$2.3	\$2.4	\$2.5	\$2.6	\$2.7	\$2.8	\$2.9	\$3.1	\$3.2	\$3.3	\$3.4	\$3.5	\$3.7	\$45.1	
Short-Term Bond Proceeds	0	0	0	0	0	0	\$2.8	\$2.6	\$2.2	\$3.0	\$4.7	\$5.0	\$6.4	\$9.1	\$12.3	\$15.8	\$21.3	\$28.5	\$37.2	\$48.2	\$38.3	\$32.4	\$270.0	
<i>Total Operating Revenues</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$14.2</i>	<i>\$14.2</i>	<i>\$14.2</i>	<i>\$22.8</i>	<i>\$22.7</i>	<i>\$23.8</i>	<i>\$24.9</i>	<i>\$26.8</i>	<i>\$27.3</i>	<i>\$29.0</i>	<i>\$31.9</i>	<i>\$35.4</i>	<i>\$39.2</i>	<i>\$44.9</i>	<i>\$52.4</i>	<i>\$61.4</i>	<i>\$72.7</i>	<i>\$63.1</i>	<i>\$57.5</i>	<i>\$678.3</i>	
<i>Operating Costs</i>																								
RTA Reserve Fund	0	0	0	0	0	0	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$1.1	
T2020 O&M Expenses	0	0	0	0	0	0	\$11.2	\$11.6	\$12.1	\$12.5	\$13.1	\$13.6	\$14.2	\$14.8	\$15.5	\$16.2	\$16.9	\$17.7	\$18.6	\$19.5	\$20.4	\$21.5	\$249.2	
Debt Service	0	0	0	0	0	0	\$0.2	\$1.0	\$1.7	\$2.4	\$3.4	\$3.9	\$4.7	\$6.1	\$8.1	\$10.5	\$13.9	\$18.6	\$24.7	\$32.6	\$41.3	\$45.9	\$218.8	
<i>Total Operating Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$11.9</i>	<i>\$12.6</i>	<i>\$13.8</i>	<i>\$15.0</i>	<i>\$16.5</i>	<i>\$17.6</i>	<i>\$18.9</i>	<i>\$20.9</i>	<i>\$23.6</i>	<i>\$26.7</i>	<i>\$30.9</i>	<i>\$36.4</i>	<i>\$43.3</i>	<i>\$52.1</i>	<i>\$61.8</i>	<i>\$67.4</i>	<i>\$469.1</i>	
Balance from Operations	0	0	0	\$14.2	\$14.2	\$14.2	\$10.9	\$10.1	\$10.0	\$9.9	\$10.4	\$9.8	\$10.1	\$11.0	\$11.8	\$12.5	\$14.1	\$16.0	\$18.0	\$20.6	\$1.3	-\$9.9	\$209.2	
Capital																								
<i>Capital Revenues</i>																								
FTA Section 5309 New Starts	0	0	0	\$59.4	\$70.3	\$57.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$186.9
Federal Pre-FFGA Funding	\$3.3	\$4.0	\$8.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$15.4
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State PE Contribution	\$0.4	\$0.5	\$0.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3
Local Interim Funding	\$0.4	\$0.5	\$1.7	-\$2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.2
Long-Term Bond Proceeds	0	0	0	\$38.3	\$40.3	\$33.7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$112.3
<i>Total Capital Revenues</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$94.9</i>	<i>\$110.6</i>	<i>\$90.9</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$315.5</i>
<i>Capital Expenditures</i>																								
T2020 Commuter Rail Project	\$4.1	\$5.0	\$10.1	\$103.7	\$112.2	\$89.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$324.4
Long-Term Debt Service	0	0	0	\$1.7	\$4.9	\$7.8	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$8.9	\$157.0
<i>Total Capital Expenditures</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$105.4</i>	<i>\$117.1</i>	<i>\$97.0</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$8.9</i>	<i>\$481.4</i>
Change in Capital Costs	0	0	0	-\$10.5	-\$6.5	-\$6.1	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$8.9	-\$165.8
Beginning Cash Balance	0	0	0	0	\$3.6	\$11.2	\$19.3	\$21.3	\$22.5	\$23.6	\$24.6	\$26.0	\$26.9	\$28.0	\$30.1	\$33.1	\$36.6	\$41.8	\$48.9	\$58.0	\$69.7	\$62.2		
Change to Cash Balance	0	0	0	\$3.6	\$7.6	\$8.0	\$2.0	\$1.2	\$1.1	\$1.0	\$1.5	\$0.9	\$1.2	\$2.1	\$2.9	\$3.6	\$5.2	\$7.1	\$9.1	\$11.7	-\$7.6	-\$18.8	\$43.4	
Ending Cash Balance	0	0	0	\$3.6	\$11.2	\$19.3	\$21.3	\$22.5	\$23.6	\$24.6	\$26.0	\$26.9	\$28.0	\$30.1	\$33.1	\$36.6	\$41.8	\$48.9	\$58.0	\$69.7	\$62.2	\$43.4		

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding.

Table 4.5 Cash Flow – Sensitivity Scenario B2

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total	
Operating																								
<i>Operating Revenues</i>																								
FTA Section 5307 Formula Program	0	0	0	0	0	0	0	0	\$2.8	\$3.0	\$3.1	\$3.3	\$3.5	\$3.6	\$3.8	\$4.0	\$4.2	\$4.4	\$4.6	\$4.9	\$5.1	\$5.4	\$55.8	
State Transit Operating Assistance	0	0	0	0	0	0	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$6.7	\$106.6
RTA Sales Tax Revenue	0	0	0	\$16.5	\$16.9	\$17.3	\$17.7	\$18.1	\$18.5	\$18.9	\$19.3	\$19.7	\$20.1	\$20.6	\$21.0	\$21.5	\$21.9	\$22.3	\$22.8	\$23.2	\$23.6	\$24.0	\$383.8	
T2020 Farebox Revenues	0	0	0	0	0	0	\$1.0	\$1.1	\$1.1	\$1.2	\$1.2	\$1.3	\$1.3	\$1.4	\$1.4	\$1.5	\$1.5	\$1.6	\$1.6	\$1.7	\$1.8	\$1.8	\$22.6	
Short-Term Bond Proceeds	0	0	0	0	0	0	\$2.1	\$1.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$3.3	
<i>Total Operating Revenues</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$16.5</i>	<i>\$16.9</i>	<i>\$17.3</i>	<i>\$27.5</i>	<i>\$27.0</i>	<i>\$29.1</i>	<i>\$29.7</i>	<i>\$30.3</i>	<i>\$30.9</i>	<i>\$31.6</i>	<i>\$32.2</i>	<i>\$32.9</i>	<i>\$33.6</i>	<i>\$34.3</i>	<i>\$35.0</i>	<i>\$35.7</i>	<i>\$36.4</i>	<i>\$37.2</i>	<i>\$37.9</i>	<i>\$572.1</i>	
<i>Operating Costs</i>																								
RTA Reserve Fund	0	0	0	0	0	0	\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1	\$1.6
T2020 O&M Expenses	0	0	0	0	0	0	\$16.7	\$17.4	\$18.1	\$18.8	\$19.6	\$20.4	\$21.3	\$22.2	\$23.2	\$24.3	\$25.4	\$26.6	\$27.8	\$29.2	\$30.6	\$32.2	\$373.8	
Debt Service	0	0	0	0	0	0	\$0.1	\$0.7	\$1.0	\$1.0	\$1.0	\$0.4	0	0	0	0	0	0	0	0	0	0	\$4.0	
<i>Total Operating Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$17.7</i>	<i>\$18.1</i>	<i>\$19.1</i>	<i>\$19.8</i>	<i>\$20.6</i>	<i>\$20.8</i>	<i>\$21.3</i>	<i>\$22.3</i>	<i>\$23.3</i>	<i>\$24.3</i>	<i>\$25.4</i>	<i>\$26.6</i>	<i>\$27.9</i>	<i>\$29.3</i>	<i>\$30.7</i>	<i>\$32.3</i>	<i>\$379.5</i>	
Balance from Operations	0	0	0	\$16.5	\$16.9	\$17.3	\$9.8	\$8.9	\$10.0	\$9.9	\$9.7	\$10.1	\$10.2	\$10.0	\$9.7	\$9.3	\$8.9	\$8.4	\$7.8	\$7.2	\$6.5	\$5.6	\$192.7	
Capital																								
<i>Capital Revenues</i>																								
FTA Section 5309 New Starts	0	0	0	\$59.3	\$70.0	\$57.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$186.9	
Federal Pre-FFGA Funding	\$3.3	\$4.0	\$8.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$15.4	
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State PE Contribution	\$0.4	\$0.5	\$0.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3	
Local Interim Funding	\$0.4	\$0.5	\$1.7	-\$2.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.2	
Long-Term Bond Proceeds	0	0	0	\$35.7	\$36.9	\$29.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$102.0	
<i>Total Capital Revenues</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$92.2</i>	<i>\$106.9</i>	<i>\$86.9</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$305.2</i>	
<i>Capital Expenditures</i>																								
T2020 Commuter Rail Project	\$4.1	\$5.0	\$10.1	\$103.7	\$112.2	\$89.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$324.4	
Long-Term Debt Service	0	0	0	\$1.6	\$4.5	\$7.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$8.1	\$142.7
<i>Total Capital Expenditures</i>	<i>\$4.1</i>	<i>\$5.0</i>	<i>\$10.1</i>	<i>\$105.3</i>	<i>\$116.7</i>	<i>\$96.3</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$8.1</i>	<i>\$467.1</i>	
Change in Capital Costs	0	0	0	-\$13.1	-\$9.8	-\$9.4	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$8.1	-\$161.9	
Beginning Cash Balance	0	0	0	0	\$3.4	\$10.4	\$18.3	\$20.0	\$20.8	\$22.7	\$24.6	\$26.2	\$28.2	\$30.3	\$32.2	\$33.8	\$35.0	\$35.8	\$36.1	\$35.8	\$34.9	\$33.2		
Change to Cash Balance	0	0	0	\$3.4	\$7.0	\$7.9	\$1.7	\$0.8	\$2.0	\$1.8	\$1.6	\$2.0	\$2.1	\$1.9	\$1.6	\$1.2	\$0.8	\$0.3	-\$0.3	-\$0.9	-\$1.6	-\$2.4	\$30.8	
Ending Cash Balance	0	0	0	\$3.4	\$10.4	\$18.3	\$20.0	\$20.8	\$22.7	\$24.6	\$26.2	\$28.2	\$30.3	\$32.2	\$33.8	\$35.0	\$35.8	\$36.1	\$35.8	\$34.9	\$33.2	\$30.8		

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding.

Table 4.6 Cash Flow – Sensitivity Scenario C1

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total
Operating																							
<i>Operating Revenues</i>																							
FTA Section 5307 Formula Program	0	0	0	0	0	0	0	0	\$1.7	\$1.8	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.5	\$2.7	\$2.8	\$2.9	\$3.1	\$3.2	\$33.5
State Transit Operating Assistance	0	0	0	0	0	0	\$4.4	\$4.5	\$4.6	\$4.6	\$4.7	\$4.8	\$4.9	\$4.9	\$5.0	\$5.1	\$5.2	\$5.2	\$5.3	\$5.4	\$5.5	\$5.5	\$79.6
RTA Sales Tax Revenue	0	0	0	\$16.5	\$16.9	\$17.3	\$17.7	\$18.1	\$18.5	\$18.9	\$19.3	\$19.7	\$20.1	\$20.6	\$21.0	\$21.5	\$21.9	\$22.3	\$22.8	\$23.2	\$23.6	\$24.0	\$383.8
T2020 Farebox Revenues	0	0	0	0	0	0	\$1.9	\$2.0	\$2.0	\$2.1	\$2.2	\$2.3	\$2.4	\$2.5	\$2.6	\$2.7	\$2.8	\$2.9	\$3.0	\$3.1	\$3.2	\$3.3	\$40.6
Short-Term Bond Proceeds	0	0	0	0	0	0	\$3.0	\$1.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$4.8
<i>Total Operating Revenues</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$16.5</i>	<i>\$16.9</i>	<i>\$17.3</i>	<i>\$27.0</i>	<i>\$26.4</i>	<i>\$26.8</i>	<i>\$27.4</i>	<i>\$28.1</i>	<i>\$28.7</i>	<i>\$29.4</i>	<i>\$30.1</i>	<i>\$30.9</i>	<i>\$31.6</i>	<i>\$32.3</i>	<i>\$33.1</i>	<i>\$33.8</i>	<i>\$34.6</i>	<i>\$35.3</i>	<i>\$36.1</i>	<i>\$542.3</i>
<i>Operating Costs</i>																							
RTA Reserve Fund	0	0	0	0	0	0	\$0.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.1	\$0.1	\$1.2
T2020 O&M Expenses	0	0	0	0	0	0	\$12.3	\$12.8	\$13.3	\$13.8	\$14.4	\$15.0	\$15.6	\$16.3	\$17.0	\$17.8	\$18.6	\$19.5	\$20.4	\$21.4	\$22.5	\$23.6	\$274.1
Debt Service	0	0	0	0	0	0	\$0.2	\$1.0	\$1.4	\$1.4	\$1.4	\$0.5	0	0	0	0	0	0	0	0	0	0	\$5.9
<i>Total Operating Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$13.1</i>	<i>\$13.7</i>	<i>\$14.7</i>	<i>\$15.2</i>	<i>\$15.8</i>	<i>\$15.5</i>	<i>\$15.7</i>	<i>\$16.3</i>	<i>\$17.1</i>	<i>\$17.8</i>	<i>\$18.7</i>	<i>\$19.5</i>	<i>\$20.5</i>	<i>\$21.5</i>	<i>\$22.5</i>	<i>\$23.7</i>	<i>\$281.2</i>
Balance from Operations	0	0	0	\$16.5	\$16.9	\$17.3	\$13.9	\$12.6	\$12.1	\$12.2	\$12.3	\$13.2	\$13.8	\$13.8	\$13.8	\$13.8	\$13.7	\$13.6	\$13.4	\$13.1	\$12.8	\$12.5	\$261.1
Capital																							
<i>Capital Revenues</i>																							
FTA Section 5309 New Starts	0	0	0	\$58.0	\$70.8	\$58.1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$186.9
Federal Pre-FFGA Funding	\$3.6	\$4.4	\$8.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$16.9
Federal CMAQ Grants	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State Commuter Rail Program	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
State PE Contribution	\$0.5	\$0.6	\$0.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$1.3
Local Interim Funding	\$0.5	\$0.6	\$2.0	-\$3.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-\$0.3
Long-Term Bond Proceeds	0	0	0	\$49.6	\$51.6	\$42.9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$144.0
<i>Total Capital Revenues</i>	<i>\$4.5</i>	<i>\$5.5</i>	<i>\$11.1</i>	<i>\$104.3</i>	<i>\$122.3</i>	<i>\$101.0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>\$348.8</i>
<i>Capital Expenditures</i>																							
T2020 Commuter Rail Project	\$4.5	\$5.5	\$11.1	\$114.0	\$123.5	\$98.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$356.8
Long-Term Debt Service	0	0	0	\$2.2	\$6.3	\$10.0	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$11.4	\$201.4
<i>Total Capital Expenditures</i>	<i>\$4.5</i>	<i>\$5.5</i>	<i>\$11.1</i>	<i>\$116.3</i>	<i>\$129.7</i>	<i>\$108.1</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$11.4</i>	<i>\$558.2</i>
Change in Capital Costs	0	0	0	-\$11.9	-\$7.4	-\$7.2	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$11.4	-\$209.5
Beginning Cash Balance	0	0	0	0	\$4.6	\$14.0	\$24.1	\$26.6	\$27.8	\$28.5	\$29.2	\$30.1	\$31.9	\$34.2	\$36.6	\$39.0	\$41.3	\$43.6	\$45.7	\$47.6	\$49.3	\$50.7	
Change to Cash Balance	0	0	0	\$4.6	\$9.5	\$10.1	\$2.5	\$1.2	\$0.7	\$0.8	\$0.9	\$1.8	\$2.3	\$2.4	\$2.4	\$2.3	\$2.3	\$2.1	\$1.9	\$1.7	\$1.4	\$1.0	\$51.7
Ending Cash Balance	0	0	0	\$4.6	\$14.0	\$24.1	\$26.6	\$27.8	\$28.5	\$29.2	\$30.1	\$31.9	\$34.2	\$36.6	\$39.0	\$41.3	\$43.6	\$45.7	\$47.6	\$49.3	\$50.7	\$51.7	

Note: All figures expressed in millions of year-of-expenditure dollars. Totals may not add due to rounding.

5.0 Conclusions

This Financial Plan shows that the financial capacity exists to construct and operate the Transport 2020 commuter rail project. The plan projects positive cash balances throughout the six-year construction period and the 20-year operations period. The positive cash balances remain under various pessimistic scenarios, including higher than expected capital and operating costs, lower than expected ridership, and slower growth in sales tax revenues.