GENERAL MOBILITY PROGRAM

Current Proposals: Transit Implications

Greater Houston Partnership
Transportation Policy Advisory Committee
Friday - July 27, 2012
1988-2002

- 1988 referendum creates GMP for twelve years
- Infrastructure Improvement Program added in 1992 (phased out in 2002)
- 1999 GMP agreements set through 2009
2003-2014

- 2003: Referendum extends GMP to 2014
- 2003: Referendum requires election by 2013
- 2007: METRO advances Multi-Cities GMP funds for projects against future sales tax receipts
- 2013: Deadline for calling new election
- 2014: Present GMP expires (September)
- 2014: Current contracts expire (September)
Current General Mobility Criteria

- Within METRO’s service area
- Compliant with Texas Transportation Code
  - Constructing or maintaining streets, roads, bridges, grade separations and traffic control signals;
  - Installing or maintaining street lights and landscaping as well as drainage improvements associated with these projects
### GMP Since Inception & Projected

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>EXPENDITURE/ COMMITMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRE-FY1999</td>
<td>$ 924.4 MILLION</td>
</tr>
<tr>
<td>FY1999 – FY2011</td>
<td>1,334.2 MILLION</td>
</tr>
<tr>
<td>FY2012 – FY2014</td>
<td>431.8 MILLION (EST.)</td>
</tr>
<tr>
<td>TOTAL PROGRAM OUTFLOW</td>
<td>$2.7 BILLION (EST.)</td>
</tr>
</tbody>
</table>
Flow of Funds

Sales Tax Revenue → 2.5% Fees & Rebates → Net Available Sales Tax Revenue → 75% METRO

Net Available Sales Tax Revenue → 25% General Mobility
Flow of Funds

General Mobility

- 21% Pre-Agreement & Congestion Mitigation
  - 19% City of Houston
  - 5% Harris County
  - 57% Multi-Cities
  - 19% MAP

- 79% GMP Projects
  - 74% City of Houston
  - 21% Harris County
  - 5% Multi-Cities
## Comparison FY1988 to FY2014

<table>
<thead>
<tr>
<th></th>
<th>Total Estimated Sales Tax Collections</th>
<th>Total Estimated COMMITTED TO GMP</th>
<th>COMMITTED PER DOLLAR COLLECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY OF HOUSTON</td>
<td>$8.3 BILLION</td>
<td>$1.7 BILLION</td>
<td>20¢</td>
</tr>
<tr>
<td>HARRIS COUNTY</td>
<td>$976 MILLION</td>
<td>$546 MILLION</td>
<td>55¢</td>
</tr>
<tr>
<td>MULTI-CITIES</td>
<td>$551 MILLION</td>
<td>$359 MILLION</td>
<td>65¢</td>
</tr>
<tr>
<td>MAP</td>
<td>N/A</td>
<td>$82 MILLION</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Friday, July 27, 2012
## Comparison FY1988 to FY2014

<table>
<thead>
<tr>
<th></th>
<th>TOTAL ESTIMATED SALES TAX COLLECTIONS ($1,000’s)</th>
<th>TOTAL ESTIMATED COMMITTED TO GMP ($1,000’s)</th>
<th>COMMITTED PER DOLLAR COLLECTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>PINEY POINT VILLAGE</td>
<td>$1,429</td>
<td>$23,571</td>
<td>$16.49</td>
</tr>
<tr>
<td>BUNKER HILL</td>
<td>859</td>
<td>12,150</td>
<td>14.14</td>
</tr>
<tr>
<td>TAYLOR LAKE VILLAGE</td>
<td>853</td>
<td>10,542</td>
<td>12.36</td>
</tr>
<tr>
<td>HILSHIRE VILLAGE</td>
<td>942</td>
<td>5,649</td>
<td>6.00</td>
</tr>
<tr>
<td>HUNTERS CREEK VILLAGE</td>
<td>5,480</td>
<td>15,993</td>
<td>2.92</td>
</tr>
<tr>
<td>EL LAGO</td>
<td>2,465</td>
<td>3,946</td>
<td>1.60</td>
</tr>
<tr>
<td>SPRING VALLEY</td>
<td>14,033</td>
<td>19,860</td>
<td>1.42</td>
</tr>
<tr>
<td>SOUTHSIDE PLACE</td>
<td>7,444</td>
<td>9,960</td>
<td>1.34</td>
</tr>
<tr>
<td>WEST UNIVERSITY PLACE</td>
<td>18,169</td>
<td>12,679</td>
<td>70¢</td>
</tr>
<tr>
<td>HEDWIG VILLAGE</td>
<td>39,220</td>
<td>25,612</td>
<td>65¢</td>
</tr>
<tr>
<td>BELLAIRE</td>
<td>47,959</td>
<td>29,823</td>
<td>62¢</td>
</tr>
</tbody>
</table>
## Comparison FY1988 to FY2014

<table>
<thead>
<tr>
<th>City</th>
<th>Total Estimated Sales Tax Collections ($1,000s)</th>
<th>Total Estimated Committed to GMP ($1,000's)</th>
<th>Committed Per Dollar Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>MISSOURI CITY</td>
<td>$85,489</td>
<td>$46,095</td>
<td>54¢</td>
</tr>
<tr>
<td>KATY</td>
<td>110,629</td>
<td>56,104</td>
<td>51¢</td>
</tr>
<tr>
<td>HUMBLE</td>
<td>$215,740</td>
<td>$86,900</td>
<td>40¢</td>
</tr>
</tbody>
</table>
Starting Point Assumptions:
Inside METRO

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

- Service area population grows per H-GAC
- Economy and sales tax grow per Barton Smith projections
- Future New Starts grants at 50% match
- Other federal grants grow only modestly
- No catastrophic events
And overall…

- Maintain a “Smart Service” approach.
- Use the right transit tool to meet each need.
- Buses and other tools are just as critical as rail.
Starting Point Assumptions:
Outside METRO

A caveat on the effects of the recession

METRO 1 Cent Annual Sales Tax Revenue
Difference between June 2008 and March 2012 Projections
Scenarios: Consider five key areas

- METROBus Service
- Bus Acquisition
- Capital Programs & State of Good Repair
- METRORail Service
- Financial Capacity
**Scenario 1: GMP Continues**

- Limited increase of service hours for local and commuter routes
- Limited increase in frequency on existing routes
- Fall further behind in meeting transit needs

**Scenario 2: GMP Ends**

- Increased service hours for local and commuter routes
- Increased frequency, additional routes, and more amenities
- Significantly shrink gap in meeting transit needs
Bus Acquisition

Scenario 1: GMP Continues

- Provides for alternate service vehicles
- Cash basis for bus purchases by 2025
- Provides for very modest expansion of fleet

Scenario 2: GMP Ends

- Provides for alternate service vehicles
- Cash basis for bus purchases in 2015
- Provides for significant expansion of fleet
Capital Programs/State of Good Repair

**Scenario 1: GMP Continues**
- Maintain facilities in current conditions
- Limits bus shelter program
- Minimal Park & Ride expansion

**Scenario 2: GMP Ends**
- Accelerates maintenance program
- Expands bus shelter program
- Significant Park & Ride expansion
METRORail Service

Scenario 1: GMP Continues

- Resume environmental, engineering, and right-of-way acquisition by 2024
- Resume METRORail construction by 2028 to 2030

Scenario 2: GMP Ends

- Resume environmental, engineering, and right-of-way acquisition by 2015
- Resume METRORail construction by 2018 to 2020
Financial Capacity

Scenario 1: GMP Continues

- Bonding* capacity available by 2025 to 2027
- No capacity for matching grants on major projects until 2025 to 2027

Scenario 2: GMP Ends

- Bonding* capacity available by 2015
- Additional capacity for matching grants on major projects by 2015

* Issuance of bonds subject to voter approval
Board Member Proposals
Some Considerations

*If GMP continues in some form...*

- Percentage or amount
- Term
- Allocation to constituent governments
- Effect of decline in METRO sales tax
- Rules for GMP use
- METRO monitoring of GMP use
Some Considerations

If GMP ends completely . . .

- Termination date
- Phase-out or single-point end date
- METRO’s role, if any, in mobility projects
- Criteria if METRO continued mobility projects
Board Members Ballanfant, Castaneda, Siegel and Stobb

Vote Yes or No

Shall METRO continue to dedicate twenty-five percent (25%) of METRO’s sale and use tax revenues for street improvements and related projects, as authorized by law and with no increase in the current rate of METRO’s sale and use tax.
Chairman Garcia

Choose A or B

A
Continue METRO’s General Mobility program at the fiscal year 2014 amount through 2030.

B
Continue METRO’s General Mobility program for all jurisdictions to get 25% of METRO’s sales tax revenue collections from within their jurisdictions through 2030.
Board Member Watson

Vote Yes or No

Increase bonding limit, not to exceed $200 million ($200,000,000.00), for the express purpose of partnering with any local agency or state created authority to plan, design and construct non-rail transit projects. Partnering agency/authority must commit a minimum of fifteen percent (15%) to the projects construction costs.
Continue the General Mobility plan (GMP) funding at a minimum of twenty-five percent (25%) of METRO’s annual tax revenues received during METRO’s 2014 fiscal year. The funding will remain at that fixed/capped level until September 30, 2030. Allocation of funds shall be renegotiated with METRO’s GMP partners, similar to current allocations, but no less than twenty-three percent (23%) of the one cent sales tax collected in a city or unincorporated area.
Board Member Watson

Develop and implement a user fare plan that improves point of sale technology and allows users to manage usage and maximize transfer benefits. The plan shall include board approval for fare changes necessary to implement technology improvements and adjust for other variable costs of operation and maintenance.
Board Member Jefferson

Chose A or B

A
Should METRO continue the General Mobility program, setting aside 25% of its one-cent sales tax for road projects in the City of Houston, Harris County and the Multi-Cities.

B
Should METRO discontinue the General Mobility program, retaining full use of the one-cent sales tax for transit purposes.
Board Member Spieler

Vote Yes or No

The referendum passed by the voters in 2003 (the “1st referendum”) included a first phase of 4 rail lines as well as a General Mobility program lasting from 2009 to 2014. Since these rail lines have not been completed, both General Mobility and rail construction will continue until voters can make a decision on future transit expansion and General Mobility.

Therefore, we will follow through on the 2003 referendum for another 5 years:
The General Mobility program shall continue at exactly 25% of METRO’s sales tax for another 5 years to 2019, thus doubling the voter-approved term. Each member jurisdiction shall be allocated 25% of the sales tax collected within its jurisdiction to spend on any transportation projects authorized by the state transportation code.
METRO’s sales tax bonding authority shall be increased by $640 million, thus doubling the voter-approved authority. Bonds may be issued only based on the 75% of METRO’s sales tax currently allocated to transit purposes, and may only be issued if METRO is in a financial position to uphold all other terms of this referendum.

Board Member Spieler
Board Member Spieler

METRO shall continue work on the last of the four first-phase lines in the 2003 referendum, from Wheeler station to Hillcroft Transit Center via Greenway Plaza, with future connections to Uptown, along a combination of Richmond and Westpark. To recognize the benefit to the city’s infrastructure from this project, the roadwork, utility and right-of-way portion of this project (but not the transit facility itself) will be funded from the City of Houston’s allocation of General Mobility.
Until 2019, METRO shall not decrease the level of bus service (measured in yearly revenue hours, excluding service funded by contract) below the FY2012 level.

Until 2019, METRO shall not raise bus or rail fares.
Board Member Spieler

METRO shall hold a third referendum by 2019 laying out a plan for the next phase of transit expansion and a proposal for the future of the General Mobility program.

If this second referendum does not pass, the METRO board shall not build any more rail lines other than those currently under construction, and shall cease General Mobility payments, instead placing 25% of METRO’s sales tax into an escrow fund, until the voters do pass a referendum on future transit expansion and General Mobility.
Board Member Patman

Vote Yes or No

METRO shall dedicate 25% of METRO’s sales and use tax revenues through September 30, 2016, to street improvements and related projects as authorized by §451.065 of the METRO act [with no increase in the current rate of METRO’s sales and use tax] with METRO to call an election before September 30, 2016, seeking a local determination by voters regarding METRO’s continuing support after September 30, 2016 for improvements of the types described in §451.065 of the METRO act.