

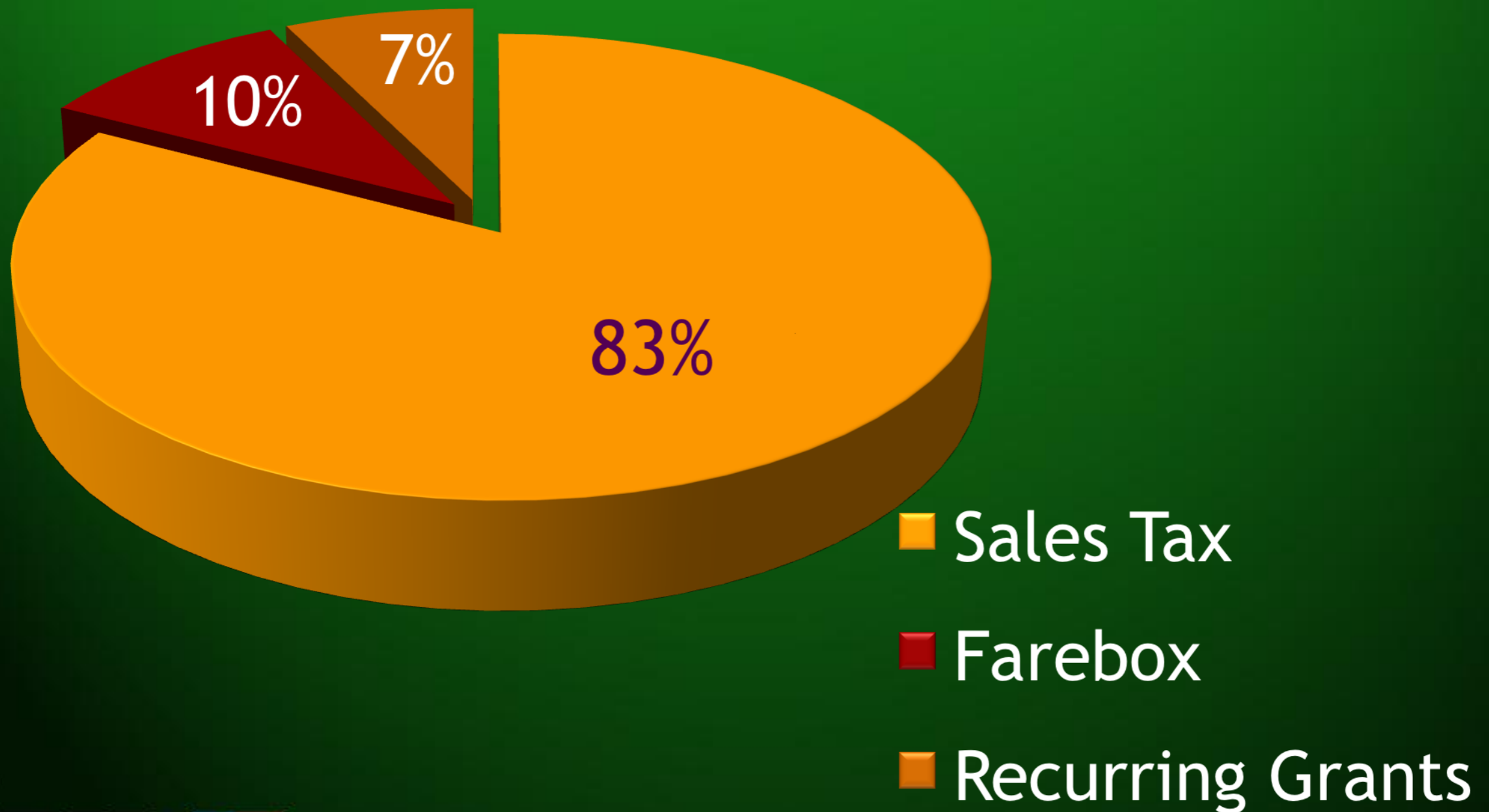
General Mobility Program

Beyond September 2014: Two Basic “What If” Scenarios

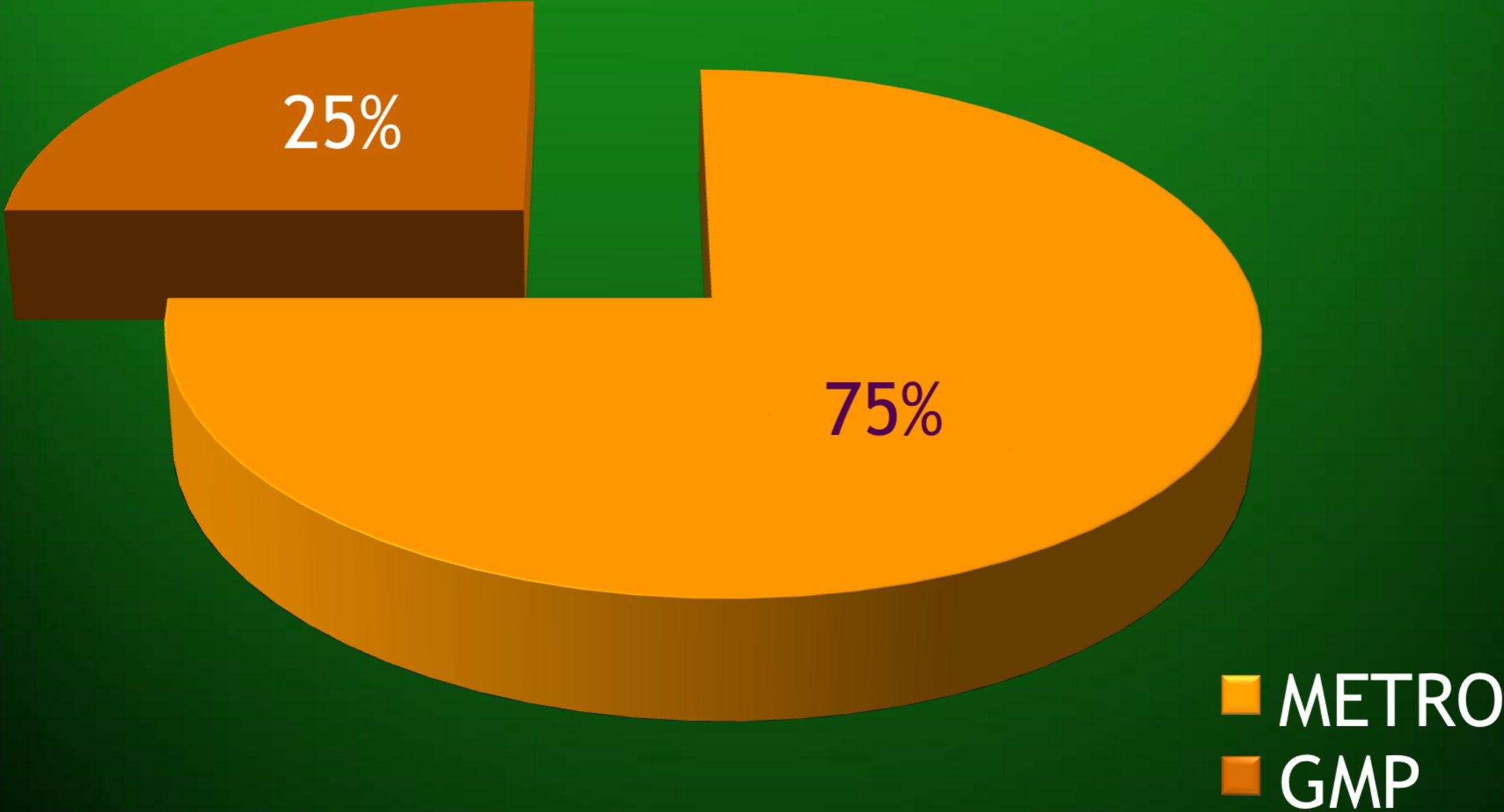
METRO Board of Directors
Friday - May 11, 2012

How is METRO funded?

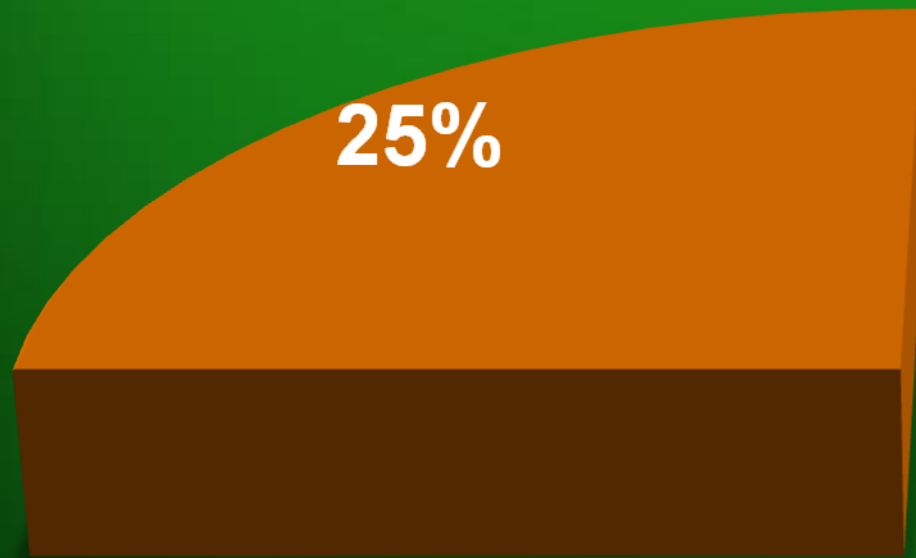
METRO's Continuing Revenue Sources - FY2012 Budget



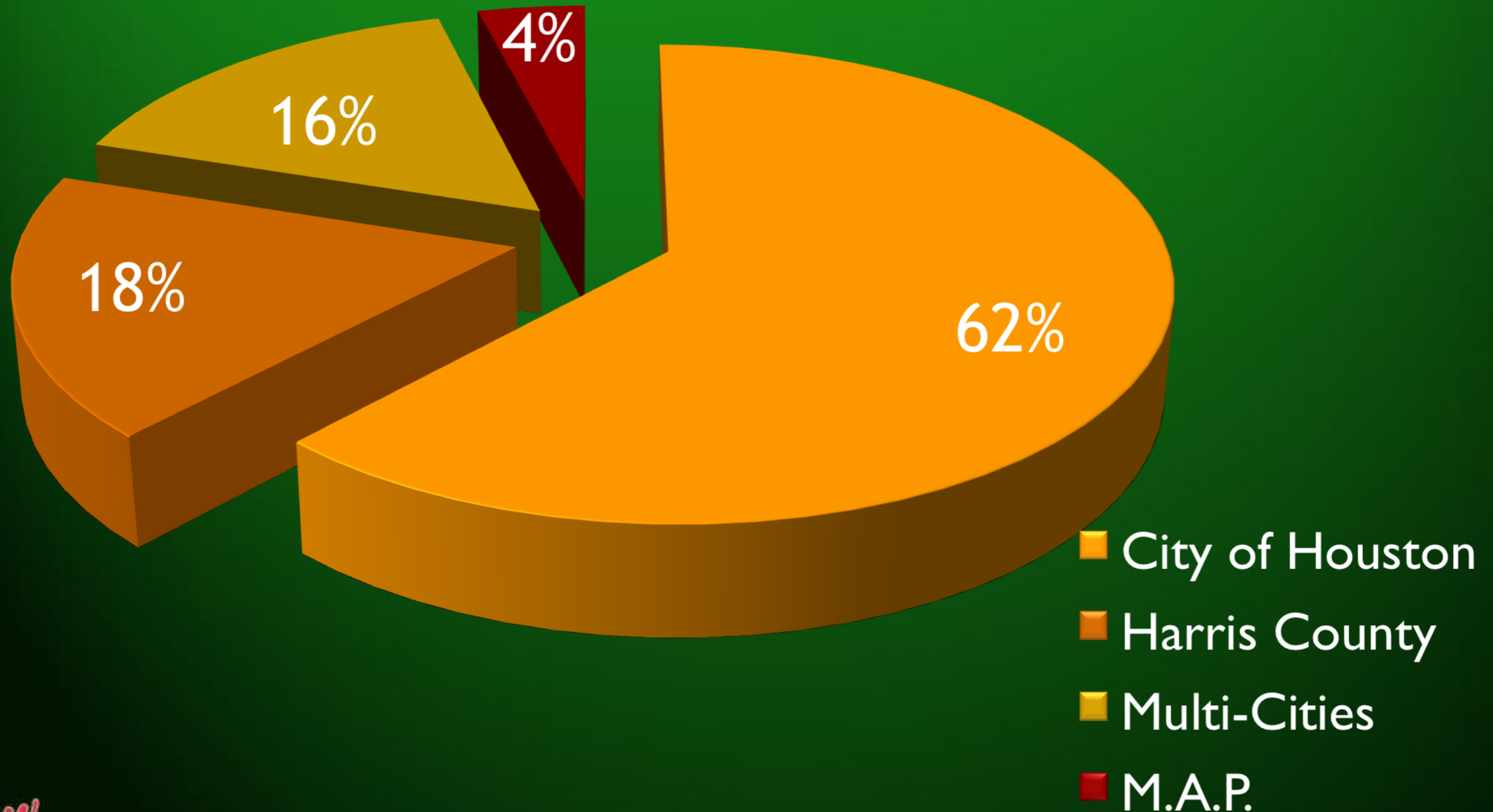
Current Distribution of METRO Sales Tax



Sales Tax for General Mobility Program



Distribution of General Mobility Program Payments



“What If” Scenarios

Scenario 1: What if GMP continues at 25%?

Scenario 2: What if GMP ends completely?

Starting Point Assumptions

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.

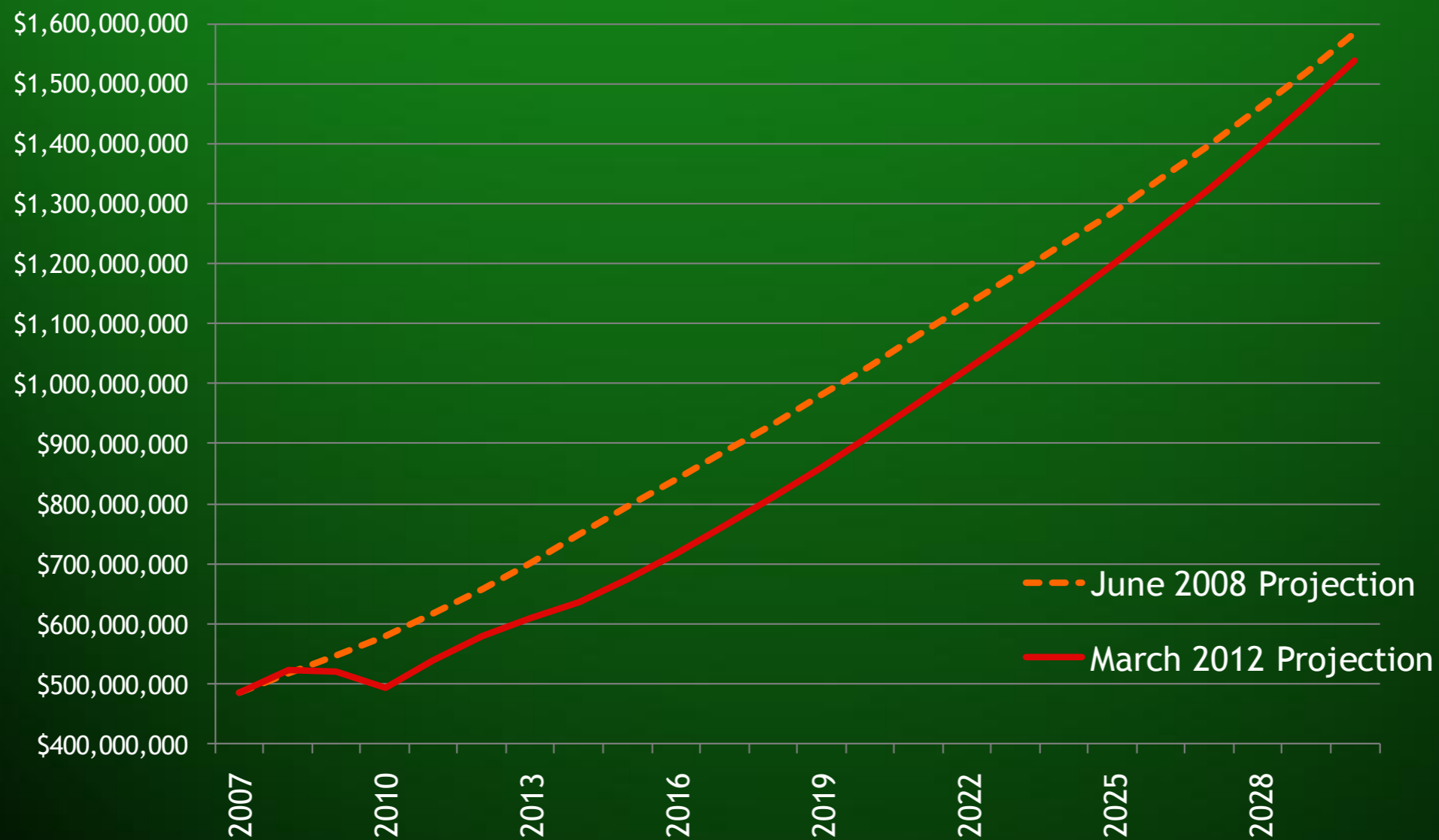
Buses and other tools are just as critical as rail.

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

METROBus Service

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

METRO Rail Service

Scenario 1: GMP Continues

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

Scenario 2: GMP Ends

- Resume environmental, engineering, and right-of-way acquisition by 2015
- Resume METRO Rail 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**

Next Steps:

- Board gathers public input
- Board considers proposed ballot language
- Board approves ballot language
- Board calls election

Voters decide the future of GMP.