



RAMSEY COUNTY

Ramsey County Board Workshop:

Ramsey County Transit Portfolio - Status and Financial Projection

Economic Growth and Community Investment Service Team

October 8, 2019

1:30 p.m.

220 Courthouse, Large Conference Room

Agenda

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| 1. Introduction | Johanna Berg, EGCI Deputy
County Manager |
| 2. Presentation | Brian Isaacson, Public Works
Deputy Director

George Hardgrove, EGCI Service
Team Controller |
| 3. Discussion, Questions | County Board |
| 4. Recent Transportation Advisory
Board Solicitation Changes | Brian Isaacson, Public Works
Deputy Director |

Ramsey County Transit Portfolio Status and Financial Projection

October 8, 2019

Goals

- Update the County Board on program management, assumptions, risks and affordability
- Seek County Board endorsement of staff direction
- Establish the annual transit portfolio review process

Systems and Structures in Place to Manage Cost

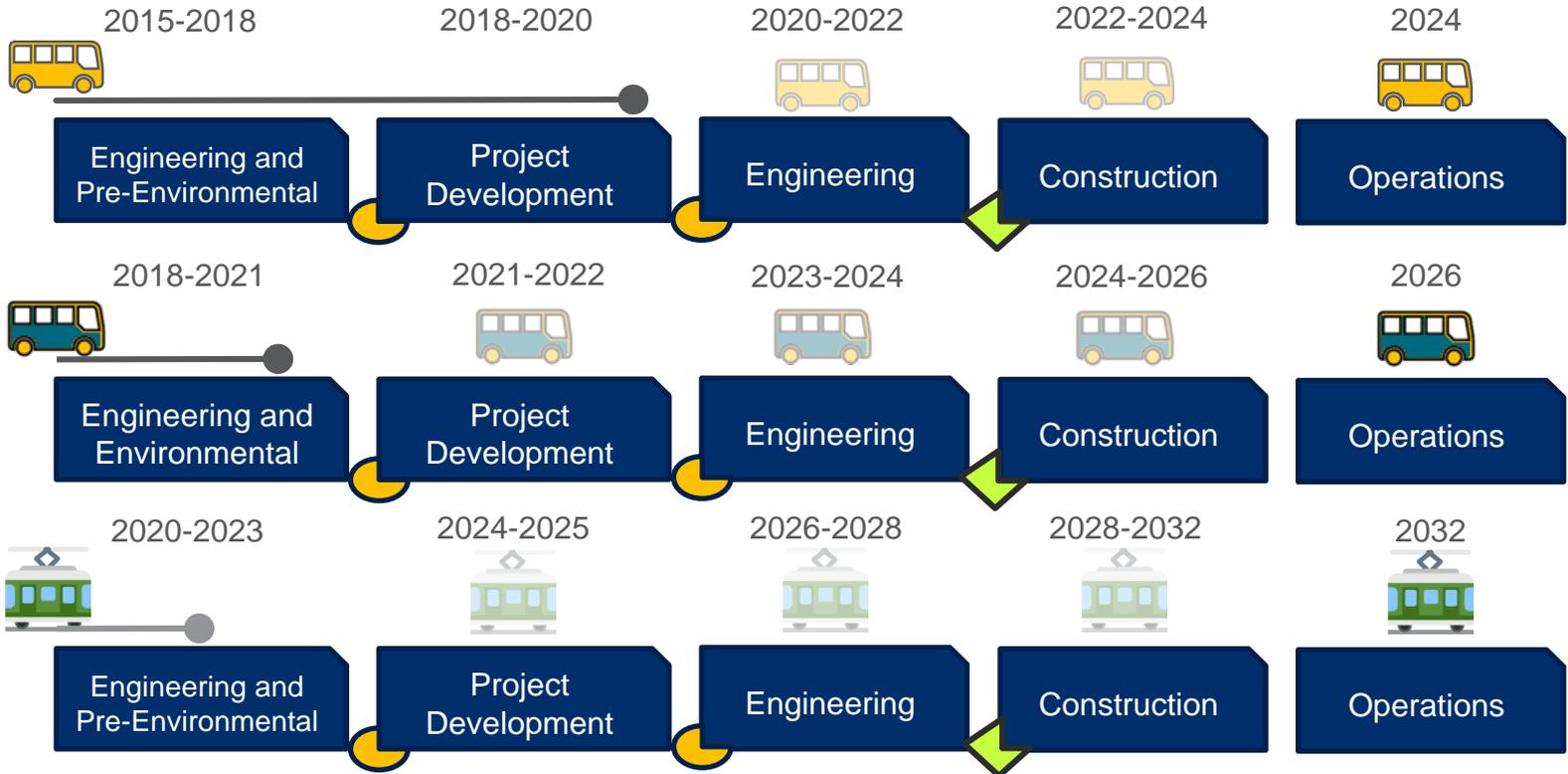
- Safeguards
 - Highly managed process
 - Federal
 - State
 - Local
- Funding limitations
- Multilayered governance structure

Major Project Assumptions

- Projects are operational by 2032
 - Gold Line (2024)
 - Rush Line (2026)
 - Riverview (2032)
- County partner capital and operating contributions are made
- Federal funds are received
- Federal funding lag is financed by the Met Council
- Met Council pays 50% of the net operating costs
- Regional guidelines used for ridership estimates and farebox recovery

Project Risks

- Federal pressure to increase local share of project cost
- Revenue stability
 - Sales Tax/Regional Railroad Authority levy
 - County bonding
 - State funds (operations and capital)
- Cyclical ridership (regionally and nationally)
- Federal elections and administrative stability
- Met Council assumption of the project
- Municipal consent

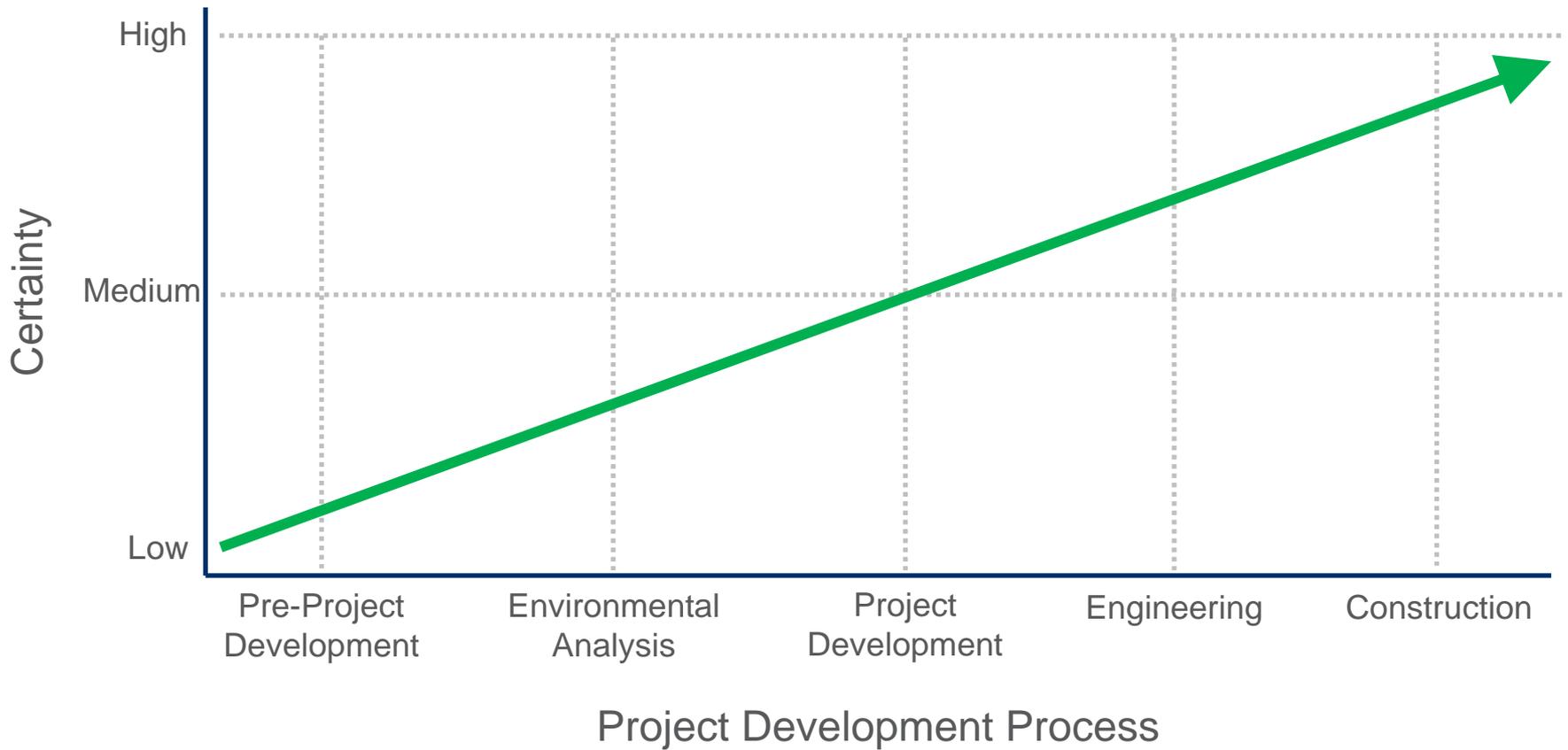


Federal Transit Administration Approval Point



Critical County Board Vote/FTA Full Funding Grant Approval

Project Development Progression Increases Certainty



Gold Line Estimates

- Project budget of \$461M
 - Ramsey County \$121M (26.2%)
 - Washington County \$121M (26.2%)
 - Federal government \$207M (45%)
 - CTIB/State of Minnesota \$12M (2.6%)
- Project will be complete in 2024, Met Council begins operations
- Ramsey County operating cost will be \$1.4M/yr escalated at 3%/yr from the county sales tax

Rush Line Estimates

- Project budget of \$511M
 - Ramsey County \$261M (51%)
 - Federal government \$250M (49%)
- Project will be complete in 2026, Met Council to begins operations
- Ramsey County operating cost will be \$4.25M/yr escalated at 3%/yr from the county sales tax

Riverview Estimates

- Project budget of \$2.08B
 - Ramsey County \$743M (35.7%)
 - Hennepin County \$318M (15.3%)
 - Federal Government \$1.019B (49%)
- Project will be complete in 2032, Met Council begins operations
- Ramsey County operating cost will be \$8.5M/yr, escalated at 3%/yr from the county sales tax

Financial Modeling Assumptions

- Ramsey County Transit Sales Tax
 - \$42M/yr escalated at .5% a year until 2028, no escalation after 2028
- Regional Railroad Authority Levy
 - \$27M/yr
 - At \$25M in 2020 and \$27M in 2021. No revenue escalation after 2021
- Bonding for capital needs
 - \$75M (Regional Railroad Authority) in 2025
 - \$500M (County) in 2026
- County Levy
 - No use of general county levy assumed for capital or operating costs

Financial Implications

- 2045
 - Debt financing for Gold Line, Rush Line and Riverview utilizes all available funds until 2045
- 2045-2053
 - Operations and debt service utilize the majority of available funds
- 2053
 - Debt is paid off

Key Takeaways

- Conservative, responsible and regionally consistent modeling
- Worked with Baker Tilly on the Financial modeling
- We can implement the projects within the portfolio over the next 30 years based on current assumptions and understanding of risks
- All available funding is needed until 2045

Questions/Discussion