

Metrorail Financial Update

Finance/Government Services and Economic Development
Committee

September 13, 2016



Purpose of this item:

- Current Silver Line construction update
- Provide overview of Loudoun's Metro obligations
- Discuss planned funding sources
- Discuss future decision points
- Establish annual item to FGOEDC on the County's Metro obligations and status



Metrorail Silver Line:



Silver Line Phase 2 :

- Package A – Main line and stations
- Package B – Maintenance Yard
- Package S – Stockpiled soil removal and site preparation for the Maintenance Yard



Package A – Main Rail Line and Stations:

- Design-builder: Capital Rail Constructors
- Contract awarded: May 2013
- Construction commenced in July 2013
- Original construction contract value: \$1.778 billion
- Original substantial completion date: July 2018
- April 2015, 13 month project delay announced
- New Substantial completion date: August 2019
- Other construction claims may adjust the completion further



Package A – Construction Activity in Loudoun:

- Clearing at Loudoun Gateway and Ashburn Stations
- Utility relocations
- Grading
- Track side facilities (TPSS, electrical feeds)
- Widening of the Greenway
- Site preparation and foundations for pavilion buildings



Package B – Maintenance Yard:

- Design-builder: Hansel Phelps
- Contract awarded: July 2014
- Original construction contract value: \$249.3 million
- Original substantial completion date: August 2018
- Current scheduled Substantial Completion: May 2019

Package S – Maintenance Yard Site Prep and Soil Removal:

- Design-builder: Atlantic Contracting and Material Company
- Contract awarded: November 2013
- Original construction contract value: \$6.45 million
- Work completed in: July 2016



Ashburn North Commuter Parking Garage:

- Privatized Concessionaire Agreement with Comstock Properties
- Project design plans nearing 100% complete
- Building Permit Application submitted in August 2016
- Project is substantially on-schedule

Ashburn South and Loudoun Gateway Commuter Garages:

- Developed by Loudoun County, using design-build contract
- RFQ advertised September 1, 2016
- Short list and RFP anticipated by the end of 2016
- Contract award by the Board, scheduled for March 2017
- Project completion estimated for June 2019



Major Construction Feature	Start	Finish
Ashburn Station Building	December 2016	December 2018
Ashburn South Area	March 2017	April 2018
Ashburn Area North	June 2017	April 2018
Ashburn North Garage	November 2016	December 2017
Ashburn South Garage	March 2017	June 2019
Loudoun Gateway Station Building	April 2016	September 2018
Loudoun Gateway Area	March 2017	March 2018
Loudoun Gateway Commuter Garage	March 2017	June 2019

Source: Information compiled from respective project schedules.

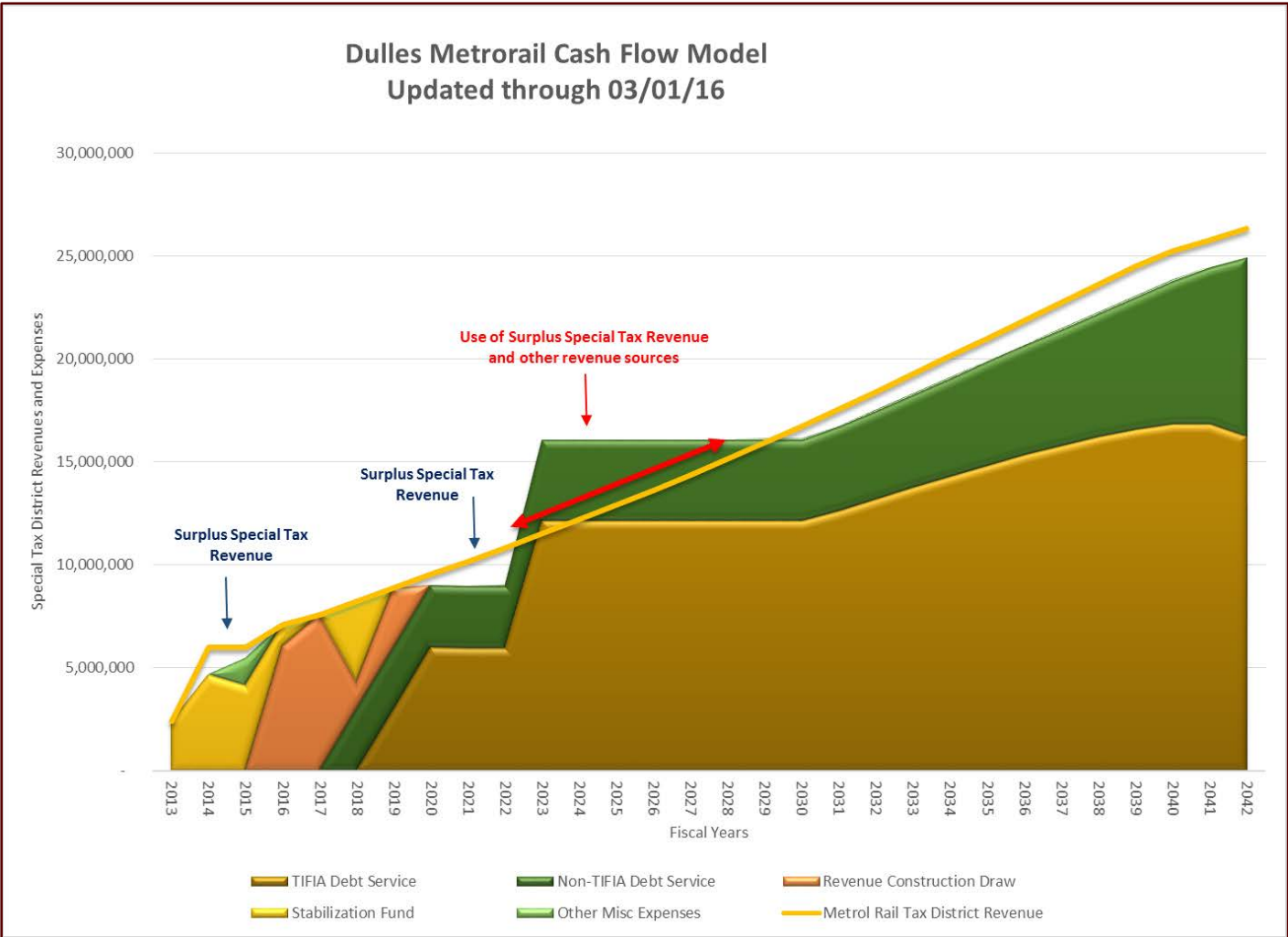


Loudoun's Funding Obligation for Construction:

- 4.8% of Phases 1 & 2 costs = \$274 million
- Sources of funding:
 1. TIFIA loan -\$195 million
 2. Non-TIFIA debt - \$61 million (lease revenue)
 3. Metrorail Service Tax District Revenue - \$18 million



Dulles Metrorail Cash Flow Model
 Updated through 03/01/16



Post Construction Ongoing Obligations:

- WMATA annual operating & capital payments
 - ✓ Capital – \$11.8 million (\$4.2m formula match and \$7.2m Metro 2025 7000 series car investment) – First payment in 2020
 - ✓ Operating - \$11.1 million (equals 4.1% share) – First payment 18 months prior to revenue service start (estimated FY 2019)



Sources of Funding for ongoing obligations:

- Metrorail Service Tax District and Station Tax District revenues
- Local Gasoline Tax
- General Fund
- Future debt issuance



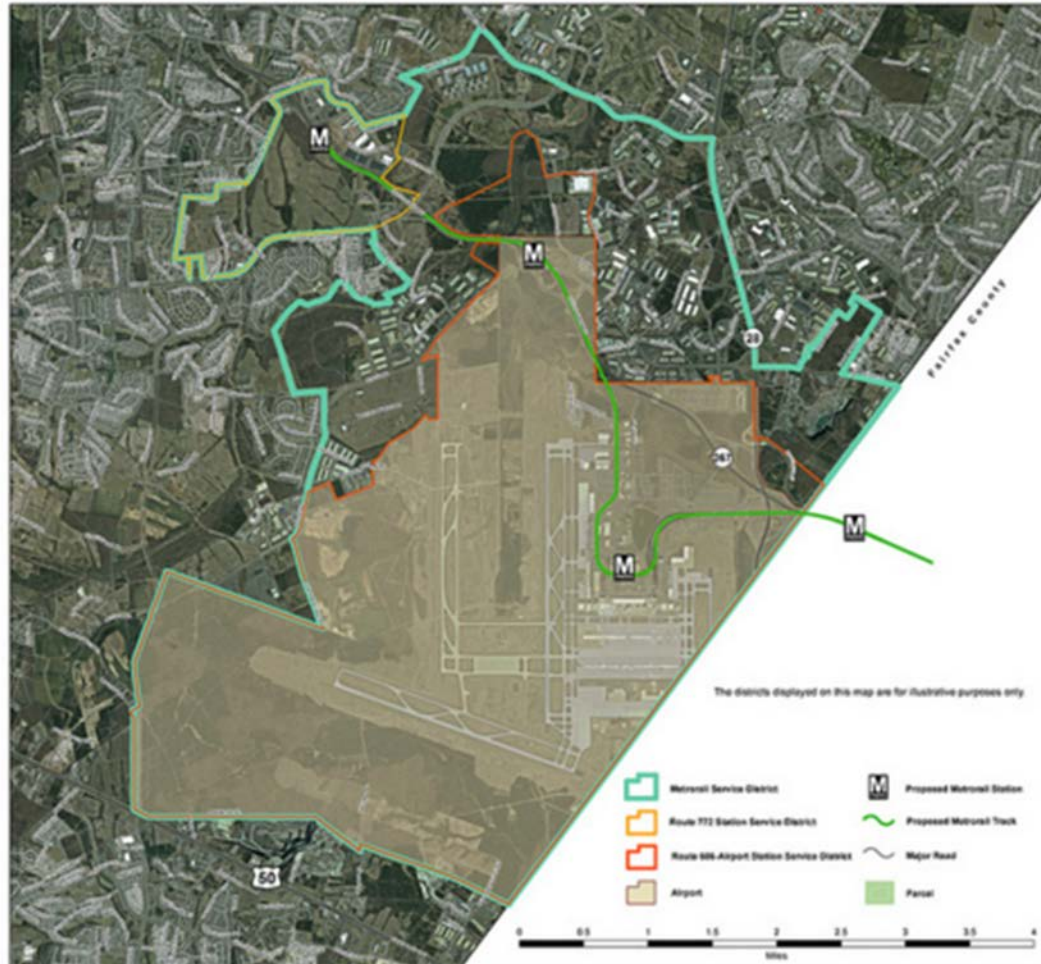
Metrorail Service Tax District and Station Tax District revenues:

- Current levies

1. Metrorail Service Tax District - \$0.20/\$100 assessed value
2. Route 606 Airport Station - \$0.00/\$100 assessed value
3. Route 772 Station - \$0.00/\$100 assessed value



MetroRail Service District Route 772 and Route 606-Airport Station Service Districts

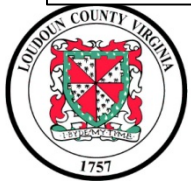
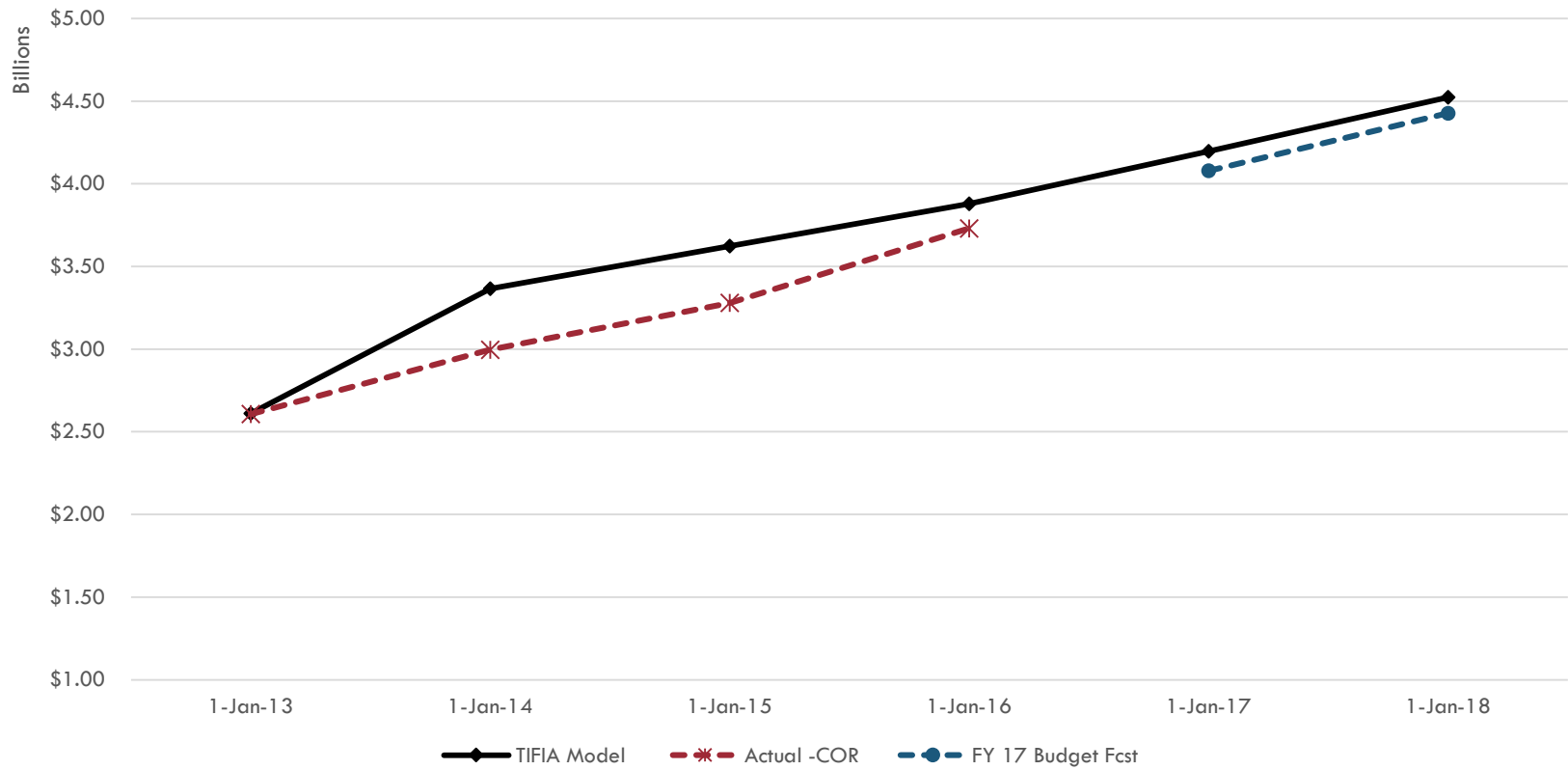


Loudoun County Office of Mapping and Geographic Information

Date Mapped 04.30.2013
Map Number 2013-045



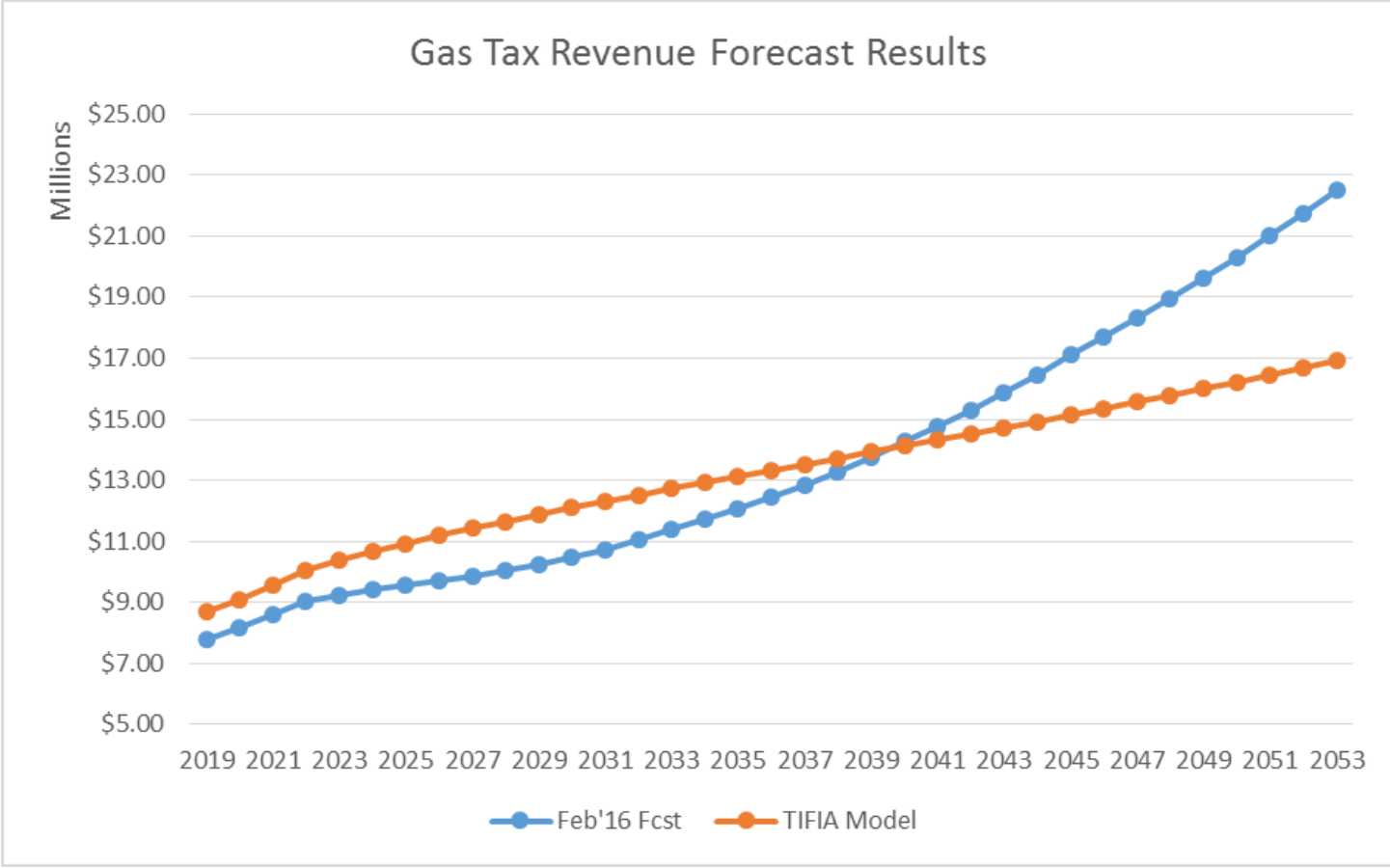
Metrarail Service Tax District Assessed Value of Real Property



Local Gasoline Tax:

- Diverted to Metro starting in FY 2019
- Current projections for FY 2019 revenue are about \$4 million below projections prior to drop in petroleum prices
- Slow recovery forecast





General Fund:

- Original model for TIFIA predicted need for General Fund or other funding source
- General Fund or other funding source required in FY 2019 and likely in FY 2024 – 2028
- Surplus should be realized over time based on: employment growth, development, increased RP value and higher densities associated with Metro



General Fund:

- Monitoring effects on the General Fund
 1. Tracking and forecasting RP development in the District
 2. Additional measures for tracking:
 - ✓ Metrorail District revenue
 - ✓ Growth in Metrorail District revenue since 2012
 - ✓ Rate of commercial property growth District vs. Countywide
 - ✓ Metro real estate “premium”



Post-Construction Debt Issuance for ongoing capital payments:

- Current placeholder in CIP beginning in FY 2019
- Staff currently evaluating debt option as part of FY 2018 budget development process



Summary of future decisions:

- Funding to account for the loss of Gasoline Tax revenue
- Funding sources for ongoing capital payments
- Contract award for self-perform parking garages
- CFA discussions with WMATA



Questions?

