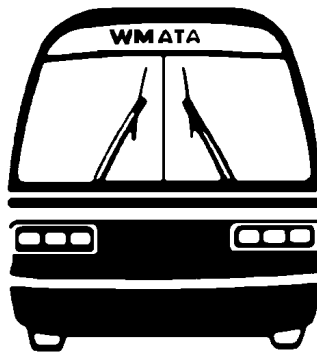


Washington Metropolitan Area Transit Authority

Replacement of Southeastern Bus Garage

At DC Village, Washington, DC

Final Financial Plan



December 2007

REPLACEMENT OF SOUTHEASTERN BUS GARAGE

FINAL FINANCIAL PLAN

This Plan describes the capital and operations funding for the project to replace the Southeastern Bus Garage with a new bus facility at the former D.C. Village in southwest Washington, DC.

1. Phased Project Implementation

For efficient maintenance and operations, the WMATA and industry preference for the capacity of a modern bus facility is 200 to 250 buses. The Final General Plans of this project present a 250-bus facility within the former D.C. Village, 16.1 acres of which the District of Columbia has proposed for the garage replacement. WMATA also wishes to combine its first-ever Metro transit police training facility with the bus facility.

As shown in Table 1, funding for the garage replacement is from the sale proceeds of WMATA properties that are associated with the Southeastern Bus Garage: employee parking lot, bus parking lot, and the garage itself. In September 2007, the WMATA Board approved the sale of the Southeastern Bus Garage for \$69,250,000, of which \$60,000,000 plus accrued interest is allocated for the capital cost of the replacement facility, and \$9,250,000 plus accrued interest is for the temporary leaseback, deadhead and interim costs until the replacement facility is operational.

Table 1. Sources of Capital Funding (In Million Dollars)

Primary Sources	Availability	
Sale proceeds of Garage Employee Parking Lot	December 2006	6.86
Sale proceeds of Garage and Bus Parking Lot	Early 2008	60.00
Total		66.86

WMATA recognizes, however, that the funding through sale proceeds will not support the construction of a 250-bus facility and a transit police training facility. WMATA is therefore proposing that there be phased implementation of the project, as shown in Table 2.

Table 2. Proposed Phased Implementation of the Bus Facility

Phase	Bus Capacity	Bus Origins	Milestone
1	114	Existing buses of SE Bus Garage	By June 2010
2	187	Phase 1 plus additional buses	Subject to funding
3	250	Phase 2 plus additional new buses	Subject to funding

The phasing would commence with a Phase 1 facility of up to 114-bus capacity, to open in June 2010, subject to availability of funding. Phase 1 would be designed and constructed for future Phase 2 and 3 expansions to 187-buses and 250-buses, respectively. The Final General Plans present the transit police training facility as an element in Phase 3, located at the east end of the second level employee parking deck.

1.1 Other Project Elements

WMATA has discussed compressed natural gas fueling in the Preliminary Financial Plan (June 2007). However, as with the transit police training facility, this elements will not be part of Phase 1 due to funding constraints. Phase 1 will have LEED Certification and, if funding permits, LEED Silver.

1.2 Land Transaction

Over the years, the District of Columbia and WMATA have each built facilities on property of the other pursuant to right of entry agreements. Those agreements contemplated the conveyance of the required permanent real estate interests, at fair market value, at a later date. WMATA has identified a 16-acre site on District-owned property at D.C. Village suitable for the replacement Southeastern Bus Garage. The District and WMATA have agreed, as part of WMATA's acquisition of the D.C. Village site, to complete all outstanding real estate transactions between the parties through an exchange of properties. An Exchange and Cooperation in Development Agreement will be used to effectuate this property exchange. The Agreement includes a one-time-payment by WMATA to the District in the amount of \$400,000.

1.3 Farecard Sales Office

The relocation of the existing farecard sales office from Southeastern Bus Garage to Anacostia Station is a project separate from the replacement of the Garage. The funding of the new sales office will be from the Metro Matters program for customer service facilities.

2. Operations Funding

Phase 1, 114-Bus Facility in 2010

The new bus facility at DC Village will be five miles from the Southeastern Bus Garage and farther from the center of the service area. WMATA staff has estimated that, due to the increased deadhead distance, the cost of Metrobus operations will increase by \$1 million annually and that, due to the deadheading time, the number of Metrobus operators must increase by eight. There would be no increase in fare revenues to offset the increase in operating costs.

Since the Southeastern Bus Garage is along a number of Metrobus routes, the relief of those Metrobus operators has occurred at the Garage itself. With the new bus facility at DC Village, this efficiency will no longer be available. WMATA staff has estimated that, due to the relief of operators during peak hours, the Metrobus fleet will need eight additional buses.

Tables 3 and 4 show the forecast for capital expenditures for nine cost categories and the drawdown of the sale proceeds. Table 5 shows the forecast of operating expenditures during project implementation.

Table 3. Capital Expenditures

	Fiscal Year	FY2007				FY2008				FY2009				FY2010				Unit Total
	Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Project Unit Description																		
01 - Construction via Design Build	51.30									5.50	7.00	7.00	7.00	7.00	7.00	6.50	4.30	51.30
02 - Utilities	0.50										0.50							0.50
03 - Vehicles	0.00																	
04 - Professional Services	4.20			0.14	0.30	1.60	1.10	1.06										4.20
05 - Start-up	0.50																0.50	0.50
06 - Insurance	0.00																	
07 - Proj. Management	6.70																	
07a - WMATA Direct Project Management.	4.89			0.10	0.10	0.20	0.20	0.30	0.30	0.40	0.40	0.50	0.50	0.50	0.50	0.50	0.39	4.89
07b - WMATA Project Administration Fee	1.81			0.01	0.02	0.06	0.08	0.14	0.12	0.12	0.16	0.20	0.20	0.20	0.18	0.16	0.16	1.81
08 - Real Estate - Exchange Agreement	0.40							0.40										0.40
09 - Contingency	3.26									0.40	0.50	0.50	0.50	0.50	0.40	0.30	0.16	3.26
10 - Total	\$66.86			0.25	0.42	1.86	1.38	1.90	0.42	6.42	8.56	8.20	8.20	8.20	8.08	7.46	5.51	66.86
Fiscal Year Capital Expenditures					0.67				5.56				31.38				29.25	66.86
Cumulative Capital Expenditures				0.25	0.67	2.53	3.91	5.81	6.23	12.65	21.21	29.41	37.61	45.81	53.89	61.35	66.86	

Table 4. Capital Funds Drawdown
Source

	Amount																	
Sale Proceeds of Employee Parking Lot	6.86			6.61	6.19	4.33	2.95	1.05	0.63	-5.79								
Sale Proceeds of SE Bus Garage and related properties	60.00									54.21	45.65	37.45	29.25	21.05	12.97	5.51	0.00	
	\$66.86																	

Table 5. Operating Expenditures during Project Implementation

	Fiscal Year	FY2007				FY2008				FY2009				FY2010				Unit Total
	Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Project Unit Description																		
Leaseback of Southeastern Bus Garage								0.22										0.22
Additional operating cost, temporary at \$4.2 M annual								0.35	1.03	1.05	1.05	1.05	1.05	1.05	1.05	1.05	0.70	9.43
	\$9.65							0.57	1.03	1.05	1.05	1.05	1.05	1.05	1.05	1.05	0.70	9.65
Fiscal Year Operating Expenditures									1.60				4.20				3.85	9.65

3. Budget Amendments

WMATA staff is recommending amendments to the capital and operating budgets for WMATA Board approval in November 2007. Table 5 is the summary of the amendments.

Table 6. Budget Amendments

Impact on Capital Funding		Notes
(\$ M)		
Current Budget	\$ 6.86	
Proposed Budget Increase	60.00	1
Proposed Capital Budget	66.86	2, 3 & 6
Prior Obligations	\$ 5.86	
This Action	-	
Remaining Capital Budget	\$ 61.00	

Impact on Operational Funding (Operating Reserve)		Notes
(\$ M)		
Sale Proceeds	\$ 9.25	4
Interest	\$ 0.40	
Total	\$ 9.65	
Forecasted Operating Cost during Project Implementation (through FY2010)		
Leaseback	\$ 0.22	
Deadheading	9.43	
Total	\$ 9.65	5

Notes:

1. Authority to obligate and expend this addition to the Capital Budget is subject to receipt of sufficient funds from the sale of the existing Southeast bus garage.
2. This project is obligation-based and not part of the Metro Matters program.
3. The Capital Budget includes all direct and indirect capital labor and non-labor cost.
4. The Operating Reserve will be funded upon receipt of funds from the sale of the Southeast bus garage.
5. Interest earned on \$60M of the sales proceeds shall accrue to the benefit of the capital budget, and interest earned on the remaining \$9.25M of sales proceeds shall accrue to the benefit of the Operating Reserve established pursuant to this Action.
6. The Capital Budget includes the \$400,000 for WMATA payment to the District of Columbia under the Exchange and Cooperation in Development Agreement.

Upon opening the new facility, additional deadheading cost is forecasted at approximately \$1M annually.