

KENDALL EXTENSION STUDY

Breakout Room #5 Costs & Funding

Cost Overview

Capital Costs:

- Rolling Stock (train cars and engines)
- Stations, Yard and Site work
- Required Rail Capacity Improvements

Operations & Maintenance (O&M) Costs:

- Train operators, maintenance and fuel
- Track safety and maintenance
- Station maintenance and fees

**Study cost projections include assumptions for contingencies, permits and escalations*



Projected Costs

Alternative	Capital Cost (\$M)	O&M Cost
	CMAP Baseline – High Growth	(\$M per year)
2Y	\$400 – [n/a]	\$6
4Y	\$465 – \$505	\$10
6Y	\$525 – \$545	\$11
2P	\$495 – [n/a]	\$8
4P	\$560 – \$600	\$11
6P	\$620 – \$640	\$12
2S	\$550 – [n/a]	\$9
4S	\$620 – \$655	\$12
6S	\$675 – \$700	\$14

All costs generally increase with extension length and level of service, and operating costs are dependent on future negotiations with Metra, BNSF, and others.

Regional Transportation Authority (RTA)

- The RTA is responsible for financial oversight and planning for transit in northeastern Illinois
- The RTA region includes 6 counties: Cook, DuPage, Kane, Lake, McHenry and Will
- RTA is funded through:
 - a 0.75% to 1.25% sales tax in its region
 - operating revenues from fares and parking fees are also collected
 - State and federal funds from other sources are also provided to RTA
- RTA administers those funds to Metra, Pace and CTA



**Regional
Transportation
Authority**

Kendall Extension stations are not within the current RTA region. How would the service be operated?

Options include:

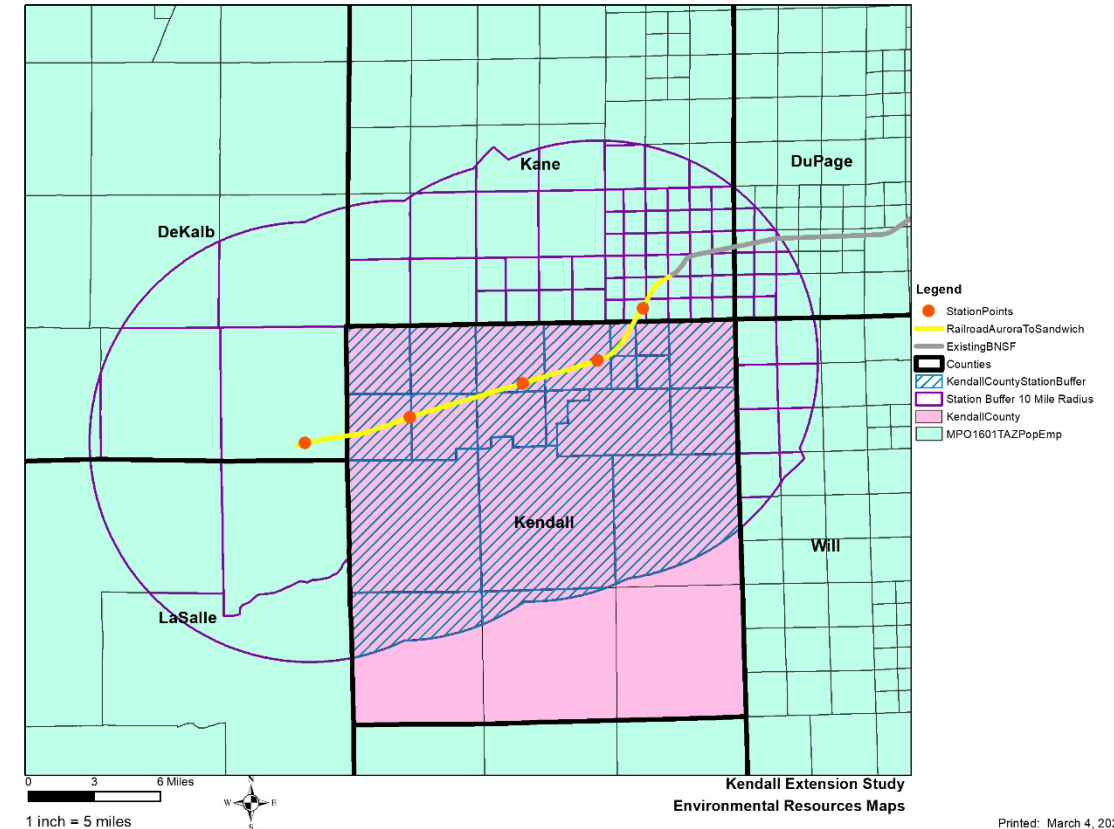
- 1. Kendall County could join the RTA***
- 2. A portion of Kendall County could join the RTA***
- 3. A Local Transit District (or Kendall County) could administer the service through agreement with Metra/BNSF****

****Requires legislation, must show benefit to RTA, & be prioritized by Metra & RTA Boards***

*****Terms of a service agreement are not identified in this study***

Local Transit District

- Extension serves most of the population in Kendall County
- Extension to Sandwich also serves population in DeKalb and LaSalle counties
- A Local Transit District (LTD) allows for geographic flexibility
 - LTD used historically in Illinois
 - LTD has limited taxing authority

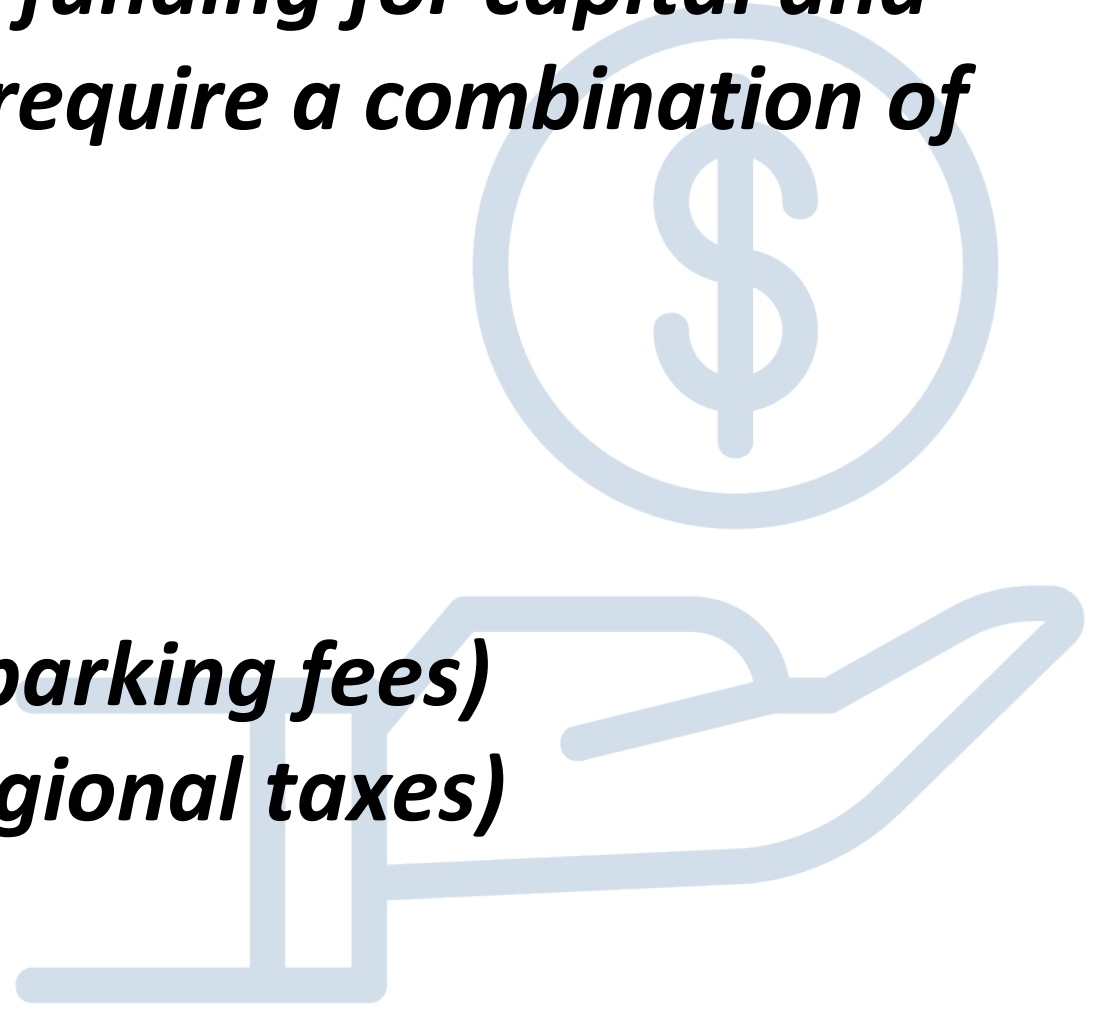


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Provide your feedback on the benefit area for this study in the public survey!

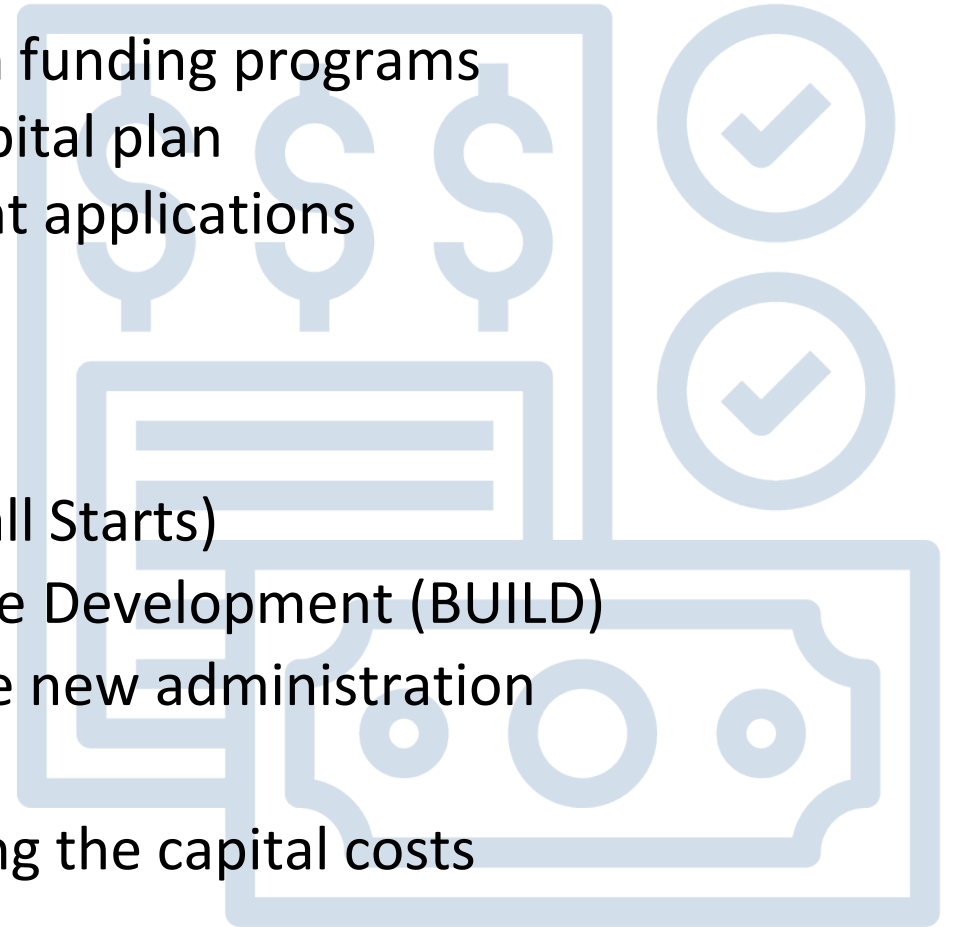
Since the Kendall Extension is not within the current RTA region, it will need new sources of funding for capital and operating costs. This would likely require a combination of sources:

- 1. Federal transportation funds***
- 2. State transportation funds***
- 3. Operating revenues (fares and parking fees)***
- 4. Local funds (typically local or regional taxes)***



Funding for Capital Costs

- Primary sources are federal and state transportation funding programs
 - \$100M in State funding in the Rebuild Illinois Capital plan
 - Federal grant programs require competitive grant applications
 - All federal programs require a “Local Match”
- Federal Grant programs include:
 - FTA’s Capital Investment Grant (New Starts/Small Starts)
 - USDOT’s Better Utilizing Investments to Leverage Development (BUILD)
 - Other programs which may be introduced by the new administration
- Federal loan programs are also available for financing the capital costs



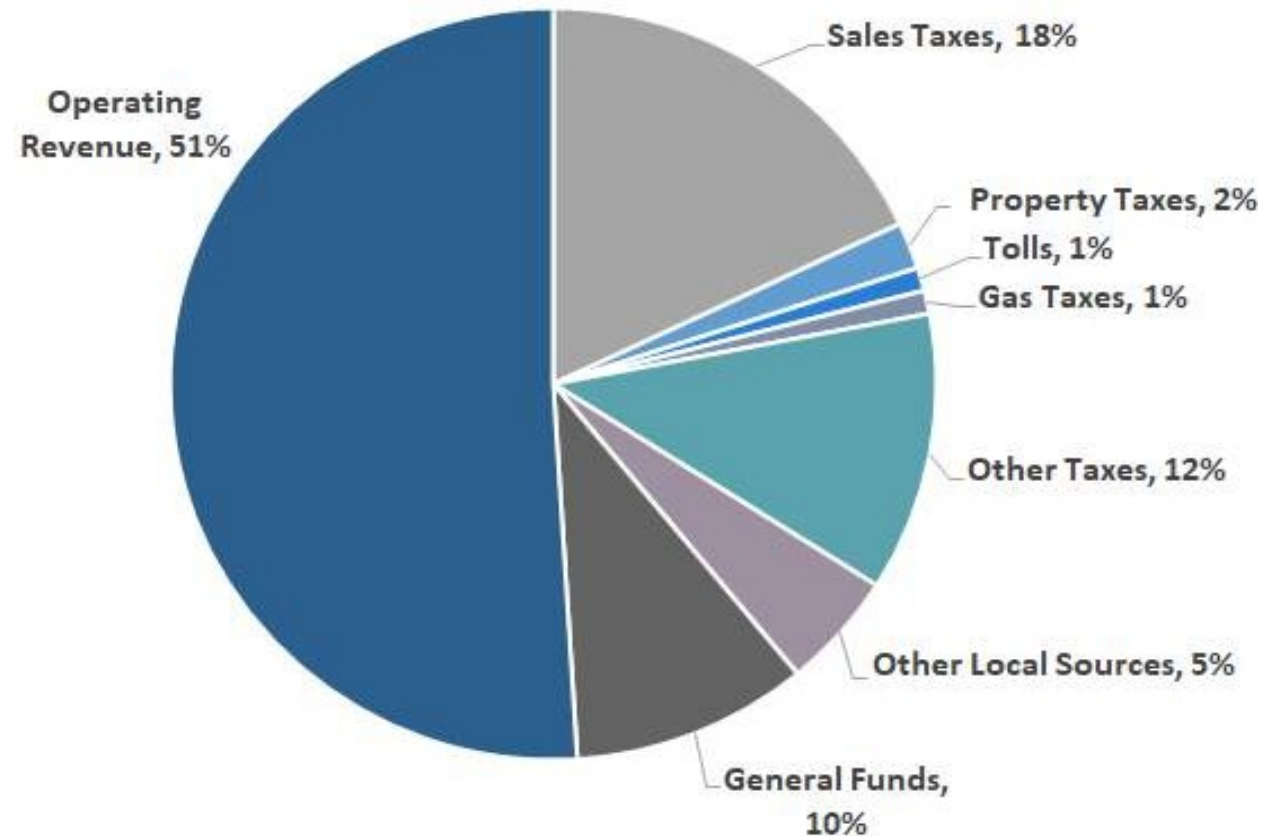
Federal Funding Evaluations

- Federal agencies (USDOT, FTA) use Benefit Cost Analysis (BCA) or Cost Effectiveness Analysis (CEA) in determination of what projects to fund
- BCA and CEA also enable comparison between alternatives
- When all nine alternatives were evaluated:
 - Extension to Yorkville performed best
 - All alternatives received a “low” rating with CMAP Baseline scenario
 - Under a high-growth scenario, the BCA improved to “medium-low”

Funding for Operations Costs

- Operating Revenues include train fares, parking fees and concessions
- Operating revenues will not cover the full cost of operation of this extension
- Local taxes will be needed to support the operations of the extension
- These tax sources may also be needed to finance capital costs

National Transit Funding Sources



Local Transit Funding Options Considered

- **Property Tax**
- **Sales Tax**
- **Motor Fuel Tax**
- **Motor Vehicle Sticker Fees**
- **Municipality/County General Funds**
- **Tax Increment Financing (TIF) Districts**
- **Public-Private Partnerships**

The current precedent in the RTA region is use of a 0.75% sales tax for all counties within the region.

Questions?

Website:

Metrarail.com/kendallextension

