CHARLOTTE

City Council
Follow-Up Report

March 22, 2013

February 25, 2013 – Council Business Meeting

Blue Line Extension Schedule and Financial Update

Staff Resources: Carolyn Flowers, CATS, 704-336-3855, cflowers@charlottenc.gov
Greg Gaskins, Finance, 704-336-5885, ggaskins@charlottenc.gov

At the February 25 Dinner Briefing on the Blue Line Extension, Council member Autry asked about the expected interest expense for the project and the cash flow for the financing of the project.

Below is a breakout of the financing costs and the most current version of the financing model for the project. Attached for further review is the Charlotte Area Transit System (CATS) Cashflow and Debt Sizing Model. Please note that the financing costs are current estimates and may change depending on the final sale of the debt and when that debt is issued. The model is also subject to change depending on how quickly grant proceeds for the project are received from the federal and state governments.

Total Financing Costs: $203,395,000

Through project period: $99,281,000

- $62,746,000 for interest on short-term debt (cash flow required due to delayed grant receipts)
- $36,535,000 for interest on long-term debt (part of CATS 25% local share for the project)
- Financing costs to be repaid from project proceeds and/or sales tax

After project period: $104,114,000

- All for interest on long-term debt
- Repaid through sales tax

CATS_Model_201...

March 4, 2013 – Council Business Meeting

Credit Card Machines in Taxis/Black Town Cars at Hotels

Staff Resource: Thomas Powers, City Attorney's Office, 704-336-5877, tpowers@charlottenc.gov

Various taxi drivers posed questions during the Citizens' Forum regarding the Passenger Vehicle For Hire (PVH) Ordinance. City Council requested information about the rules on how taxis are to operate including the requirement of credit card readers.

The City Attorney's office is responding to four questions posed by Councilmembers: (i) what are the requirements for credit card machines; (ii) whether the PVH office prorates vehicle fees; (iii) whether a hotel can prohibit taxi cabs from staging on its property; and (iv) what are the number of taxi cabs operating before and after 2011 PVH Ordinance revision.

First, per City Code § 22-288(5)(pp), the City requires all taxi cabs to be equipped with a backseat credit card machine that shall be turned on and active for any passenger to use. The PVH ordinance is silent as to the fees that credit card companies or taxi cab companies may charge to process the electronic payments. (Attached are minutes from the 2011 Community Safety Committee meetings that address the issue of backseat credit card machines in taxis. In the interest of saving paper, staff will make the attached documents available in hard copy upon request and in the Council Library.) In addition, the petition, which was submitted to Council regarding taxi cab driver's opposition to the backseat credit card machine, has been determined to include multiple Yellow Cab drivers that have since disavowed signing the petition. Yellow Cab is the only taxi cab company that does not assess a fee upon drivers for having a backseat credit card machine. Additionally, the PVH office determined that some of the petition signers do not currently have a PVH license.

Com_. Safety 4.20.11.pdf

Com_. Safety 5.16.11.pdf

Second, the PVH office assesses a full or prorated vehicle fee based on when the vehicle reaches its vehicle age limit. The vehicle age limit for taxi cabs is eight years from the manufacturer's date stamped on the vehicle. For instance, if the vehicle is five years old, then the PVH office will assess the full vehicle fee because the vehicle has three years before it reaches its vehicle age limit. However, if the vehicle has three months before it reaches its vehicle age limit, then the PVH office will assess a prorated amount for the three months that the vehicle can operate under the PVH Ordinance. Overall, the PVH office prorates vehicle fee for any vehicle owner whose vehicle reaches its vehicle age limit within one year of the application.

Third, a hotel can prohibit taxi cabs from staging on its property because the hotel sits on private property. In an effort to make taxi cabs more accessible to hotel patrons, CDOT added extra taxi cab stands throughout the uptown area increasing the total number to nineteen. When disputes have arisen between hotels and taxi cabs, the PVH office has maintained that it is a private matter which the PVH office cannot mediate. There is nothing in the PVH Ordinance that authorizes the PVH office to intercede in these disputes or to require hotels to permit taxi cabs to stage on hotel property.

Fourth, the number of taxi cabs drivers operating in the City has increased since the July 2011 PVH Ordinance revisions. In January 2011, there were 620 taxi cab drivers and 15 taxi cab companies. In March 2013, there are 664 taxi cab drivers and 10 tax cab companies. Accordingly, there are more drivers working for fewer companies.

City of Charlotte

Charlotte Area Transit System

Cashflow and Debt Sizing Model

Bank of America Merrill Lynch is providing the information contained in this document for discussion purposes only in anticipation of serving as an underwriter or counterparty to you. The primary role of Bank of America Merrill Lynch, as an underwriter, is to purchase securities, for resale to investors, in an arm's-length commercial transaction between you and Bank of America Merrill Lynch and that Bank of America Merrill Lynch has financial and other interests that differ from yours. Bank of America Merrill Lynch is not acting as a municipal advisor, financial advisor or fiduciary to you or any other person or entity. The information provided is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. You should consult with your own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, then you are free to engage a municipal advisor to serve in that capacity.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
6			**Annual Cashflow Waterfall During Operations ($000's)**														
7																	
13			Period Start			1-Jul-12	1-Jul-13	1-Jul-14	1-Jul-15	1-Jul-16	1-Jul-17	1-Jul-18	1-Jul-19	1-Jul-20	1-Jul-21	1-Jul-22	1-Jul-23
14			Period End			30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24
15			Fiscal Year			30-Jun-13	30-Jun-14	30-Jun-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	30-Jun-24
16																	
17			**Debt Service Fund**														
18																	
21			Sales Tax Revenue		6,615,173	65,798	68,101	70,485	72,952	75,505	78,148	80,883	83,714	86,644	89,676	92,815	96,063
22			Deposit to Debt Service Fund:			(4,618)	(12,290)	(14,784)	(23,337)	(25,642)	(23,807)	(24,678)	(22,105)	(18,840)	(17,628)	(17,633)	(17,629)
27			**Sales Tax Available for Operations**		6,107,128	61,180	55,811	55,701	49,615	49,863	54,340	56,205	61,609	67,803	72,049	75,182	78,435
28			Transfer to Operating Fund		(6,107,128)	(61,180)	(55,811)	(55,701)	(49,615)	(49,863)	(54,340)	(56,205)	(61,609)	(67,803)	(72,049)	(75,182)	(78,435)
29			Beginning Balance			0	0	0	0	0	0	0	0	0	0	0	0
32			Ending Balance			0	0	0	0	0	0	0	0	0	0	0	0
33																	
34			**Operating Fund**														
35																	
36			**Beginning Fund Balance**			74,186	93,836	105,043	116,475	120,130	122,571	122,835	125,034	129,586	137,160	146,971	157,471
37			**Revenue:**														
47			**Total Revenue**		21,500,989	124,882	121,453	125,504	120,507	129,241	141,515	148,606	155,303	166,859	172,831	181,461	186,696
48																	
49			**Expense:**														
53			**Total Expense**		(19,241,866)	(105,232)	(110,245)	(114,073)	(116,852)	(126,800)	(141,251)	(146,408)	(150,750)	(159,285)	(163,020)	(170,960)	(177,115)
54																	
55			**Net Operating Revenue (Expense)**		2,259,123	19,650	11,207	11,431	3,655	2,441	265	2,198	4,553	7,574	9,811	10,500	9,581
56			**Ending Fund Balance**			93,836	105,043	116,475	120,130	122,571	122,835	125,034	129,586	137,160	146,971	157,471	167,052
57																	
58			**BLE Capital Projects Fund**														
59																	
60			**Beginning Fund Balance**			603	(0)	5,105	0	7,465	1,063	52	0	0	0	0	0
61			**Revenue:**														
67			**Total Revenue**		845,449	59,230	129,498	100,000	100,000	100,000	100,000	100,000	100,000	40,393	16,328	0	0
68																	
69			**Expenses:**														
70			Capital expenditures - Northeast Corridor		(975,787)	(115,313)	(186,060)	(305,851)	(255,787)	(111,713)	(1,011)	(52)	0	0	0	0	0
71																	
72			Bond Proceeds (Draws from Construction Fund)		569,018	55,479	61,667	200,746	163,252	87,873	0	0	0	0	0	0	0
73			Redemption of BLE Short Term Debt		(422,955)	0	0	0	0	(82,562)	(100,000)	(100,000)	(100,000)	(40,393)	0	0	0
74			**Net Expenses**		(829,724)	(59,833)	(124,393)	(105,105)	(92,535)	(106,402)	(101,011)	(100,052)	(100,000)	(40,393)	0	0	0
75																	
76			**Excess BLE Fund Transfer to Non-BLE Fund**		(16,328)	0	0	0	0	0	0	0	0	0	(16,328)	0	0
77																	
78			**Net Revenue (Expense)**		(603)	(603)	5,105	(5,105)	7,465	(6,402)	(1,011)	(52)	0	0	(0)	0	0
79			**Ending Fund Balance**			(0)	5,105	0	7,465	1,063	52	0	0	0	0	0	0
80																	
81			**Non-BLE Capital**														
82																	
83			**Beginning Fund Balance**			36,739	28,038	19,743	8,784	3,160	(2,244)	(9,641)	(21,949)	(27,744)	(28,991)	(45,264)	(50,093)
84			**Revenue:**														
85			Non-BLE Federal Revenue														
111			**Total Non-BLE Revenue**		2,739,549	51,605	20,546	24,229	26,537	28,179	28,718	29,363	30,198	30,690	32,926	67,999	69,921
112																	
113			**Expense:**														
127			**Total Non-BLE Capital Expenses**		(3,789,068)	(60,306)	(28,841)	(35,188)	(32,161)	(33,583)	(36,115)	(41,671)	(35,993)	(31,936)	(65,527)	(72,827)	(76,008)
128																	
130			**Transfer from BLE Excess**		16,328	0	0	0	0	0	0	0	0	0	16,328	0	0
131																	
132			**Net Revenue (Expense)**		(1,049,519)	(8,701)	(8,295)	(10,959)	(5,624)	(5,404)	(7,398)	(12,308)	(5,795)	(1,246)	(16,273)	(4,829)	(6,087)
133			**Ending Fund Balance**			28,038	19,743	8,784	3,160	(2,244)	(9,641)	(21,949)	(27,744)	(28,991)	(45,264)	(50,093)	(56,179)
134																	
135			**CATS Reserve Fund**														
136																	
137			CATS Beginning Fund Balance			110,925	121,874	124,787	125,258	123,290	120,327	113,194	103,084	101,842	108,170	101,707	107,379
138			Debt Service Fund Net Cashflow		0	0	0	0	0	0	0	0	0	0	0	0	0
139			Operating Fund Net Cashflow		2,259,123	19,650	11,207	11,431	3,655	2,441	265	2,198	4,553	7,574	9,811	10,500	9,581
140			Non-BLE Capital Net Cashflow		(989,123)	(8,701)	(8,295)	(10,959)	(5,624)	(5,404)	(7,398)	(12,308)	(5,795)	(1,246)	(16,273)	(4,829)	(6,087)
141			CATS Ending Fund Balance			121,874	124,787	125,258	123,290	120,327	113,194	103,084	101,842	108,170	101,707	107,379	110,873
142																	
143			BLE Ending Fund Balance			(0)	5,105	0	7,465	1,063	52	0	0	0	0	0	0
144																	
145			*Note: Sales tax modeled on the historical trend. Receipts above the trend deposited to the revenue reserve up to 50% of the annual sales tax allocation for operations and debt service. Receipts below the trend line will draw upon the revenue reserve.*														

	A B C	D	E	R	S	T	U	V	W	X	Y	Z	AA	AB	AC
6	**Annual Cashflow Waterfall During Operations ($000's)**														
7															
13	Period Start			1-Jul-24	1-Jul-25	1-Jul-26	1-Jul-27	1-Jul-28	1-Jul-29	1-Jul-30	1-Jul-31	1-Jul-32	1-Jul-33	1-Jul-34	1-Jul-35
14	Period End			30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31	30-Jun-32	30-Jun-33	30-Jun-34	30-Jun-35	30-Jun-36
15	Fiscal Year			30-Jun-25	30-Jun-26	30-Jun-27	30-Jun-28	30-Jun-29	30-Jun-30	30-Jun-31	30-Jun-32	30-Jun-33	30-Jun-34	30-Jun-35	30-Jun-36
16															
17	**Debt Service Fund**														
18															
21	Sales Tax Revenue		6,615,173	99,426	102,906	106,507	110,235	114,093	118,086	122,219	126,497	130,925	135,507	140,250	140,250
22	Deposit to Debt Service Fund:			(17,630)	(17,631)	(17,626)	(17,631)	(17,633)	(17,633)	(17,634)	(17,632)	(17,632)	(17,261)	(17,259)	(10,206)
27	**Sales Tax Available for Operations**		6,107,128	81,796	85,274	88,881	92,604	96,461	100,454	104,585	108,865	113,293	118,245	122,991	130,044
28	Transfer to Operating Fund		(6,107,128)	(81,796)	(85,274)	(88,881)	(92,604)	(96,461)	(100,454)	(104,585)	(108,865)	(113,293)	(118,245)	(122,991)	(130,044)
29	Beginning Balance			0	0	0	0	0	0	0	0	0	0	0	0
32	Ending Balance			0	0	0	0	0	0	0	0	0	0	0	0
33															
34	**Operating Fund**														
35															
36	**Beginning Fund Balance**			167,052	178,084	187,813	200,554	212,218	227,105	241,031	258,265	273,239	291,431	308,747	329,433
37	**Revenue:**														
47	**Total Revenue**		21,500,989	196,044	201,403	211,315	217,387	228,014	234,727	245,984	251,959	263,708	271,670	284,197	299,565
48															
49	**Expense:**														
53	**Total Expense**		(19,241,866)	(185,013)	(191,673)	(198,573)	(205,722)	(213,128)	(220,801)	(228,750)	(236,985)	(245,516)	(254,355)	(263,511)	(272,998)
54															
55	**Net Operating Revenue (Expense)**		2,259,123	11,031	9,729	12,741	11,664	14,886	13,927	17,234	14,974	18,192	17,316	20,686	26,567
56	**Ending Fund Balance**			178,084	187,813	200,554	212,218	227,105	241,031	258,265	273,239	291,431	308,747	329,433	356,000
57															
58	**BLE Capital Projects Fund**														
59															
60	**Beginning Fund Balance**			0	0	0	0	0	0	0	0	0	0	0	0
61	**Revenue:**														
67	**Total Revenue**		845,449	0	0	0	0	0	0	0	0	0	0	0	0
68															
69	**Expenses:**														
70	Capital expenditures - Northeast Corridor		(975,787)	0	0	0	0	0	0	0	0	0	0	0	0
71															
72	Bond Proceeds (Draws from Construction Fund)		569,018	0	0	0	0	0	0	0	0	0	0	0	0
73	Redemption of BLE Short Term Debt		(422,955)	0	0	0	0	0	0	0	0	0	0	0	0
74	**Net Expenses**		(829,724)	0	0	0	0	0	0	0	0	0	0	0	0
75															
76	**Excess BLE Fund Transfer to Non-BLE Fund**		(16,328)	0	0	0	0	0	0	0	0	0	0	0	0
77															
78	**Net Revenue (Expense)**		(603)	0	0	0	0	0	0	0	0	0	0	0	0
79	**Ending Fund Balance**			0	0	0	0	0	0	0	0	0	0	0	0
80															
81	**Non-BLE Capital**														
82															
83	**Beginning Fund Balance**			(56,179)	(73,143)	(70,613)	(71,501)	(68,759)	(64,324)	(61,810)	(120,549)	(124,827)	(129,884)	(133,174)	(137,323)
84	**Revenue:**														
85	Non-BLE Federal Revenue														
111	**Total Non-BLE Revenue**		2,739,549	34,724	36,872	37,205	37,803	38,411	39,021	39,647	42,170	42,837	46,100	46,791	47,493
112															
113	**Expense:**														
127	**Total Non-BLE Capital Expenses**		(3,789,068)	(51,688)	(34,342)	(38,094)	(35,061)	(33,976)	(36,507)	(98,386)	(46,448)	(47,893)	(49,390)	(50,939)	(52,540)
128															
130	**Transfer from BLE Excess**		16,328	0	0	0	0	0	0	0	0	0	0	0	0
131															
132	**Net Revenue (Expense)**		(1,049,519)	(16,964)	2,530	(889)	2,742	4,435	2,515	(58,739)	(4,279)	(5,057)	(3,290)	(4,148)	(5,047)
133	**Ending Fund Balance**			(73,143)	(70,613)	(71,501)	(68,759)	(64,324)	(61,810)	(120,549)	(124,827)	(129,884)	(133,174)	(137,323)	(142,370)
134															
135	**CATS Reserve Fund**														
136															
137	CATS Beginning Fund Balance			110,873	104,941	117,200	129,053	143,459	162,780	179,222	137,717	148,412	161,547	175,573	192,110
138	Debt Service Fund Net Cashflow		0	0	0	0	0	0	0	0	0	0	0	0	0
139	Operating Fund Net Cashflow		2,259,123	11,031	9,729	12,741	11,664	14,886	13,927	17,234	14,974	18,192	17,316	20,686	26,567
140	Non-BLE Capital Net Cashflow		(989,123)	(16,964)	2,530	(889)	2,742	4,435	2,515	(58,739)	(4,279)	(5,057)	(3,290)	(4,148)	(5,047)
141	CATS Ending Fund Balance			104,941	117,200	129,053	143,459	162,780	179,222	137,717	148,412	161,547	175,573	192,110	213,630
142															
143	BLE Ending Fund Balance			0	0	0	0	0	0	0	0	0	0	0	0
144															
145	*Note: Sales tax modeled on the historical trend. Receipts above the trend deposited to the revenue reserve up to 50% of the annual sales tax allocation for operations and debt service. Receipts below the trend line will draw upon the revenue reserve.*														

	A B C	D	E	AD	AE	AF	AG	AH	AI	AJ	AK
6	**Annual Cashflow Waterfall During Operations ($000's)**										
7											
13	Period Start			1-Jul-36	1-Jul-37	1-Jul-38	1-Jul-39	1-Jul-40	1-Jul-41	1-Jul-42	1-Jul-43
14	Period End			30-Jun-37	30-Jun-38	30-Jun-39	30-Jun-40	30-Jun-41	30-Jun-42	30-Jun-43	30-Jun-44
15	Fiscal Year			30-Jun-37	30-Jun-38	30-Jun-39	30-Jun-40	30-Jun-41	30-Jun-42	30-Jun-43	30-Jun-44
16											
17	**Debt Service Fund**										
18											
21	Sales Tax Revenue		6,615,173	140,250	140,250	140,250	140,250	140,250	140,250	140,250	140,250
22	Deposit to Debt Service Fund:			(10,206)	(10,206)	(10,206)	(10,206)	(10,206)	(10,206)	(10,206)	(10,206)
27	**Sales Tax Available for Operations**		6,107,128	130,044	130,044	130,044	130,044	130,044	130,044	130,044	130,044
28	Transfer to Operating Fund		(6,107,128)	(130,044)	(130,044)	(130,044)	(130,044)	(130,044)	(130,044)	(130,044)	(130,044)
29	Beginning Balance			0	0	0	0	0	0	0	0
32	Ending Balance			0	0	0	0	0	0	0	0
33											
34	**Operating Fund**										
35											
36	**Beginning Fund Balance**			356,000	381,606	406,373	430,432	453,951	477,079	500,033	523,045
37	**Revenue:**										
47	**Total Revenue**		21,500,989	308,432	317,774	327,615	338,003	348,933	360,488	372,697	385,624
48											
49	**Expense:**										
53	**Total Expense**		(19,241,866)	(282,826)	(293,007)	(303,556)	(314,484)	(325,805)	(337,534)	(349,685)	(362,274)
54											
55	**Net Operating Revenue (Expense)**		2,259,123	25,606	24,767	24,059	23,519	23,128	22,954	23,012	23,350
56	**Ending Fund Balance**			381,606	406,373	430,432	453,951	477,079	500,033	523,045	546,395
57											
58	**BLE Capital Projects Fund**										
59											
60	**Beginning Fund Balance**			0	0	0	0	0	0	0	0
61	**Revenue:**										
67	**Total Revenue**		845,449	0	0	0	0	0	0	0	0
68											
69	**Expenses:**										
70	Capital expenditures - Northeast Corridor		(975,787)	0	0	0	0	0	0	0	0
71											
72	Bond Proceeds (Draws from Construction Fund)		569,018	0	0	0	0	0	0	0	0
73	Redemption of BLE Short Term Debt		(422,955)	0	0	0	0	0	0	0	0
74	**Net Expenses**		(829,724)	0	0	0	0	0	0	0	0
75											
76	**Excess BLE Fund Transfer to Non-BLE Fund**		(16,328)	0	0	0	0	0	0	0	0
77											
78	**Net Revenue (Expense)**		(603)	0	0	0	0	0	0	0	0
79	**Ending Fund Balance**			0	0	0	0	0	0	0	0
80											
81	**Non-BLE Capital**										
82											
83	**Beginning Fund Balance**			(142,370)	(148,359)	(155,333)	(163,338)	(172,422)	(182,634)	(194,025)	(206,648)
84	**Revenue:**										
85	Non-BLE Federal Revenue										
111	**Total Non-BLE Revenue**		2,739,549	48,205	48,928	49,662	50,407	51,163	51,931	52,710	53,500
112											
113	**Expense:**										
127	**Total Non-BLE Capital Expenses**		(3,789,068)	(54,194)	(55,902)	(57,667)	(59,491)	(61,375)	(63,322)	(65,333)	(67,412)
128											
130	**Transfer from BLE Excess**		16,328	0	0	0	0	0	0	0	0
131											
132	**Net Revenue (Expense)**		(1,049,519)	(5,989)	(6,974)	(8,005)	(9,084)	(10,212)	(11,391)	(12,624)	(13,912)
133	**Ending Fund Balance**			(148,359)	(155,333)	(163,338)	(172,422)	(182,634)	(194,025)	(206,648)	(220,560)
134											
135	**CATS Reserve Fund**										
136											
137	CATS Beginning Fund Balance			213,630	233,247	251,040	267,094	281,529	294,445	306,008	316,397
138	Debt Service Fund Net Cashflow		0	0	0	0	0	0	0	0	0
139	Operating Fund Net Cashflow		2,259,123	25,606	24,767	24,059	23,519	23,128	22,954	23,012	23,350
140	Non-BLE Capital Net Cashflow		(989,123)	(5,989)	(6,974)	(8,005)	(9,084)	(10,212)	(11,391)	(12,624)	(13,912)
141	CATS Ending Fund Balance			233,247	251,040	267,094	281,529	294,445	306,008	316,397	325,835
142											
143	BLE Ending Fund Balance			0	0	0	0	0	0	0	0
144											
145	*Note: Sales tax modeled on the historical trend. Receipts above the trend deposited to the revenue reserve up to 50% of the annual sales tax allocation for operations and debt service. Receipts below the trend line will draw upon the revenue reserve.*										