

CARD #18

FUTURE CAPITAL FUNDING

- Total Required = \$300M to \$400M
- Many stakeholders will Contribute
- Economic figures difficult to Access
- Will become part of application to CTA

DETAIL SCRIPT FOR #18

FUTURE CAPITAL FUNDING

Many estimates of Capital Costs for this BNSF Rail Relocation have been made in past years by both advocates and municipalities. Stated results range in the order of \$300,000 to \$400,000 in total, including ROW costs.

Additionally, and contrary to media articles and opinion pieces in the printed media, opportunities for capital cost sharing between stakeholders are numerous. As an example, see the 2010 co-sharing agreement on card #8 and also see Co-Sharing link here

While we cannot assure at this juncture the final number of participants and their dollar contributions, we can make some reasonably conservative estimates. Let us use a high end total figure of \$400M. The Federal Government can by legislation share in as much as 50% of costs, so let us use 40% of an average \$350M or \$140M.

As to what BNSF might contribute, we have been advised, and accept, that accessing financial figures for railway operations or infrastructure is difficult at best. We can only run some very rough numbers based on the high value of freight which we observe with heavy, long, and frequent train passage. Please refer back to card #10 which explains that 'railways should neither gain nor lose from the relocation of their rail lines, according to the 'Railway Relocation and Crossing Act'. Since the BNSF will gain substantially in time, distance, and hence dollar savings, they will have to contribute major dollars to this RR. Our range of numbers then are \$60M to \$200M, so let us use \$80M to be conservative. See graphic to the left for our resultant estimates of co-sharing and total capital costs. The reader can estimate his[her] own figures and then use the Excel spreadsheet shown.

All estimates of capital cost and allocation between parties will become part of the final application to the CTA; see also card #12.