



**DRIVES THE
ECONOMY**



SEPTA at a Glance



System Profile

- Multimodal “Legacy System”
- Created by PA State Legislature in 1964
- 6th Largest in U.S.
- 1 Million Daily Riders (300 Million Annually)
- 2,800 Vehicles
- 9,500 Employees
- \$1.4B Operating Budget
- \$675M Capital Budget

BUSES



TRAINS



*****20 STRAIGHT YEARS WITH A BALANCED BUDGET*****

Fare Structure

PENNSYLVANIA ACT 44'S THREE COMPONENTS:

- **State:** Dedicated Revenues
(4.4% of State Sales Tax Revenues, PTAF Extension)
- **Local:** 15% Match
(For SEPTA: Bucks, Chester, Delaware, Montgomery, Philadelphia)
- **Agency:** Scheduled Fare Increases & Other Non-Fare Based Revenue
(Station Naming Rights, Co-Marketing/Sponsorships, Advertising, Rentals)

CITY & SUBURBAN TRANSIT

- **Weekly:** \$25.50
- **Monthly:** \$96.00

REGIONAL RAIL (ZONES 1-4)

- **Weekly:** \$28.25 – \$55.75
- **Monthly:** \$105.00 – \$204.00

SEPTA Five Areas of Focus



“Building the Future” Program

THE CUSTOMER EXPERIENCE

- **GOAL:** Meet or Exceed Rising Customer Expectations

WORKFORCE DEVELOPMENT & SUPPORT

- **GOAL:** Attract & Retain a Diverse, Highly-Skilled & Versatile Workforce

REBUILDING THE SYSTEM

- **GOAL:** Reduce SEPTA’s Backlog of Capital Repair Needs

SEPTA IS A BUSINESS

- **GOAL:** Responsibly Manage Resources to Grow the System

SAFETY & SECURITY AS THE FOUNDATION

- **GOAL:** A Safety-First Corporate Culture

SEPTA Drives the Economy

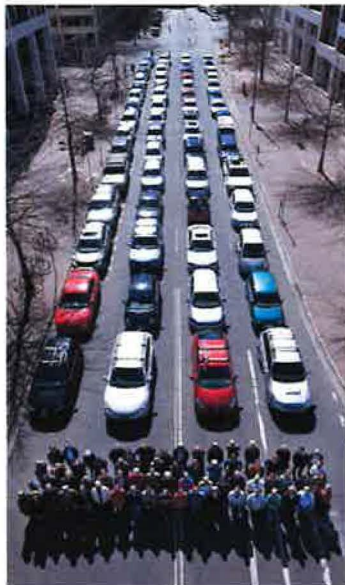


Space Is Limited

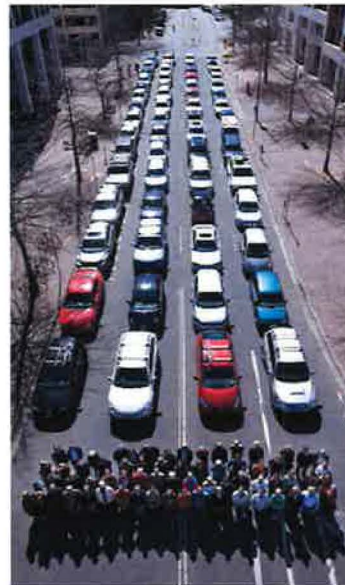
BY BUS



BY CAR



BY
DRIVERLESS CAR



SCHUYLKILL
EXPRESSWAY



CENTER CITY



SEPTA Drives the Economy

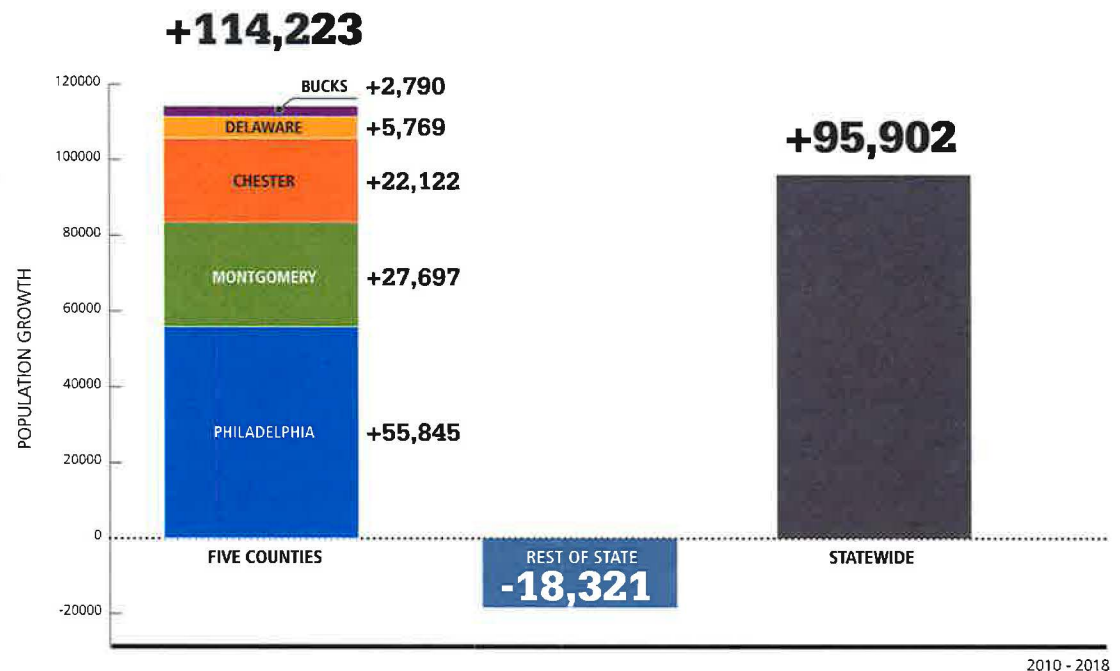


Density & Economic Productivity Only Possible With Transit

SOUTHEASTERN PA GENERATES:

- **41%** of PA Economic Output
- **36%** of PA General Fund Revenues
- **32%** of PA Population
- **24%** of PA Vehicles & Miles
- **5%** of PA Land Mass

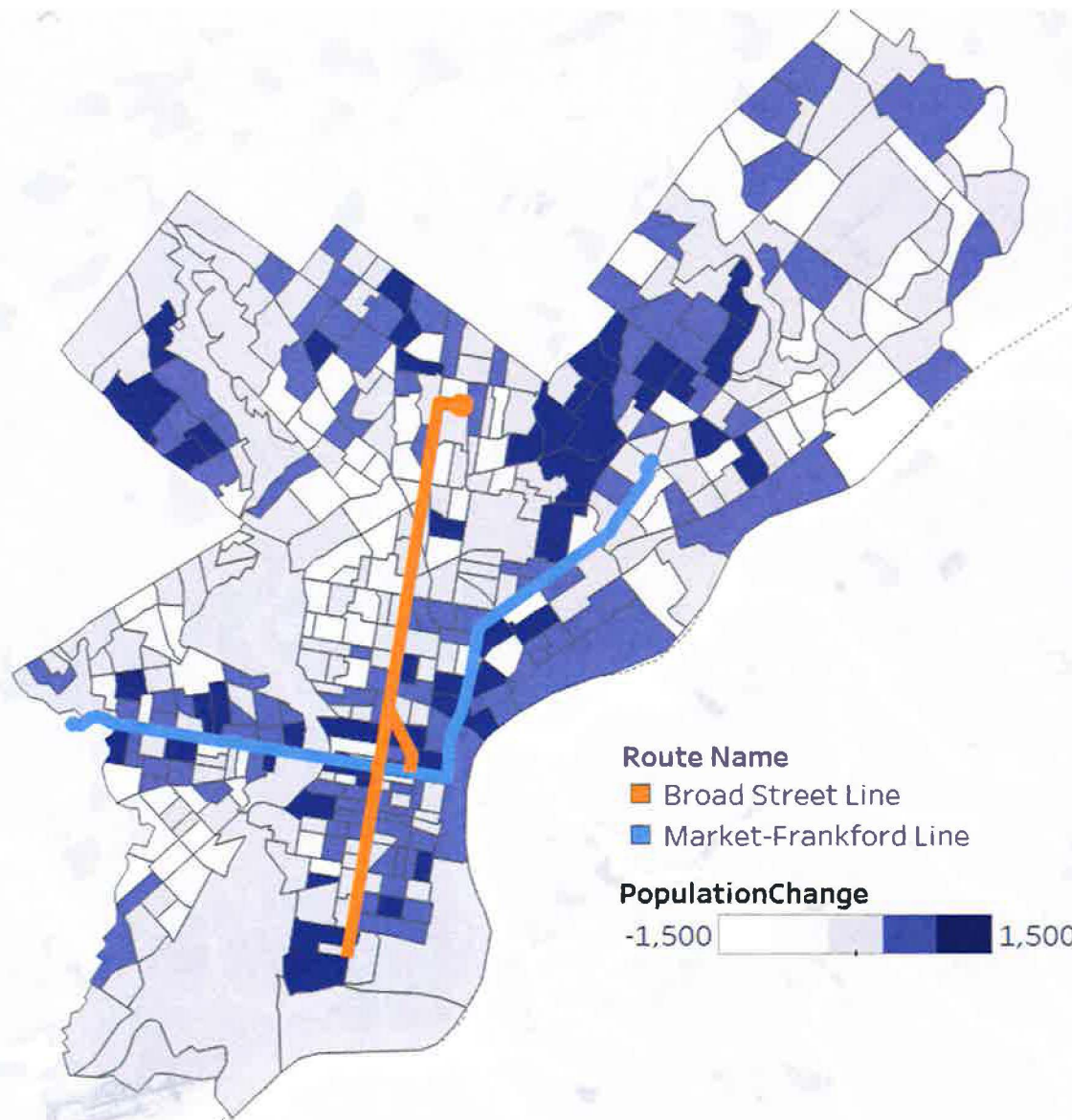
POPULATION GROWTH (2010-2018)



MFL/BSL is Driving Population Growth



More Than One-Third of Statewide Increase



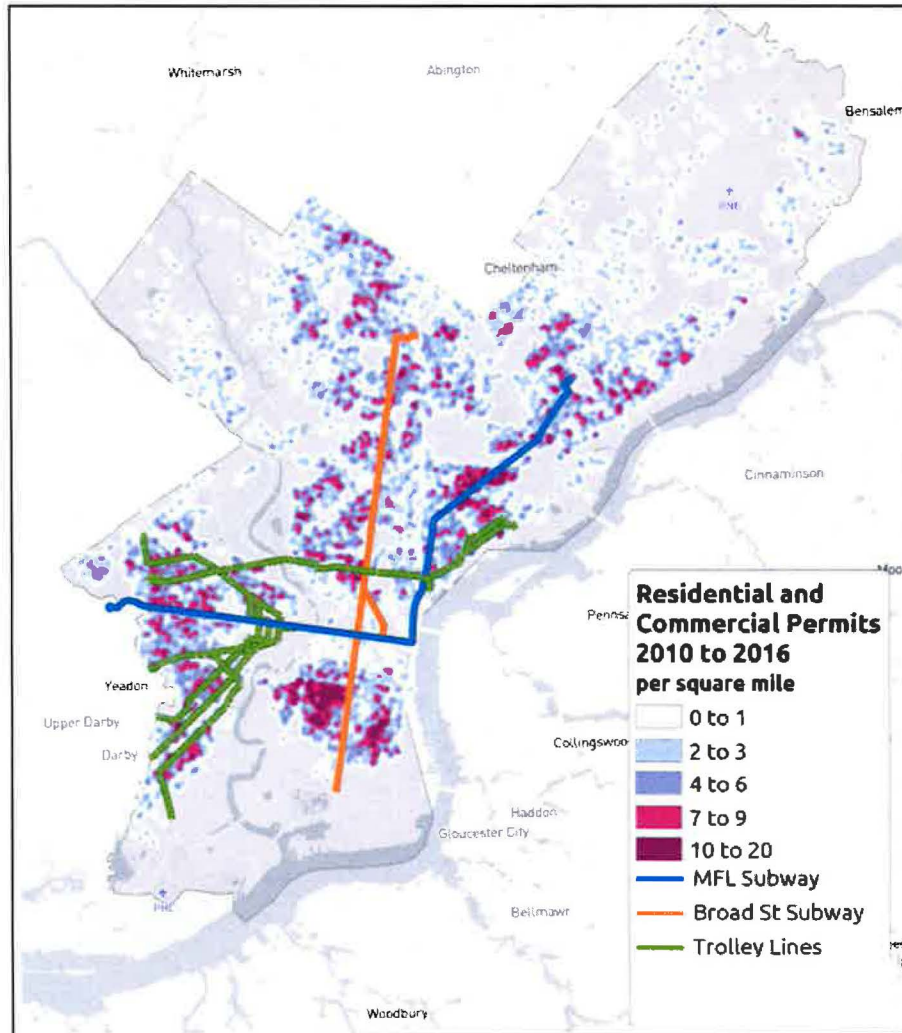
Δ IN POPULATION			
YEAR	MFL TRACTS	BSL TRACTS	CITY-WIDE
1970-1980	-14%	-16%	-13%
1980-1990	-3%	-9%	-6%
1990-2000	+1%	-5%	-4%
2000-2010	+6%	+7%	+1%
2010-2017	+11%	+10%	+3%

Rail System Will Continue to Drive Growth



Transit Oriented Development

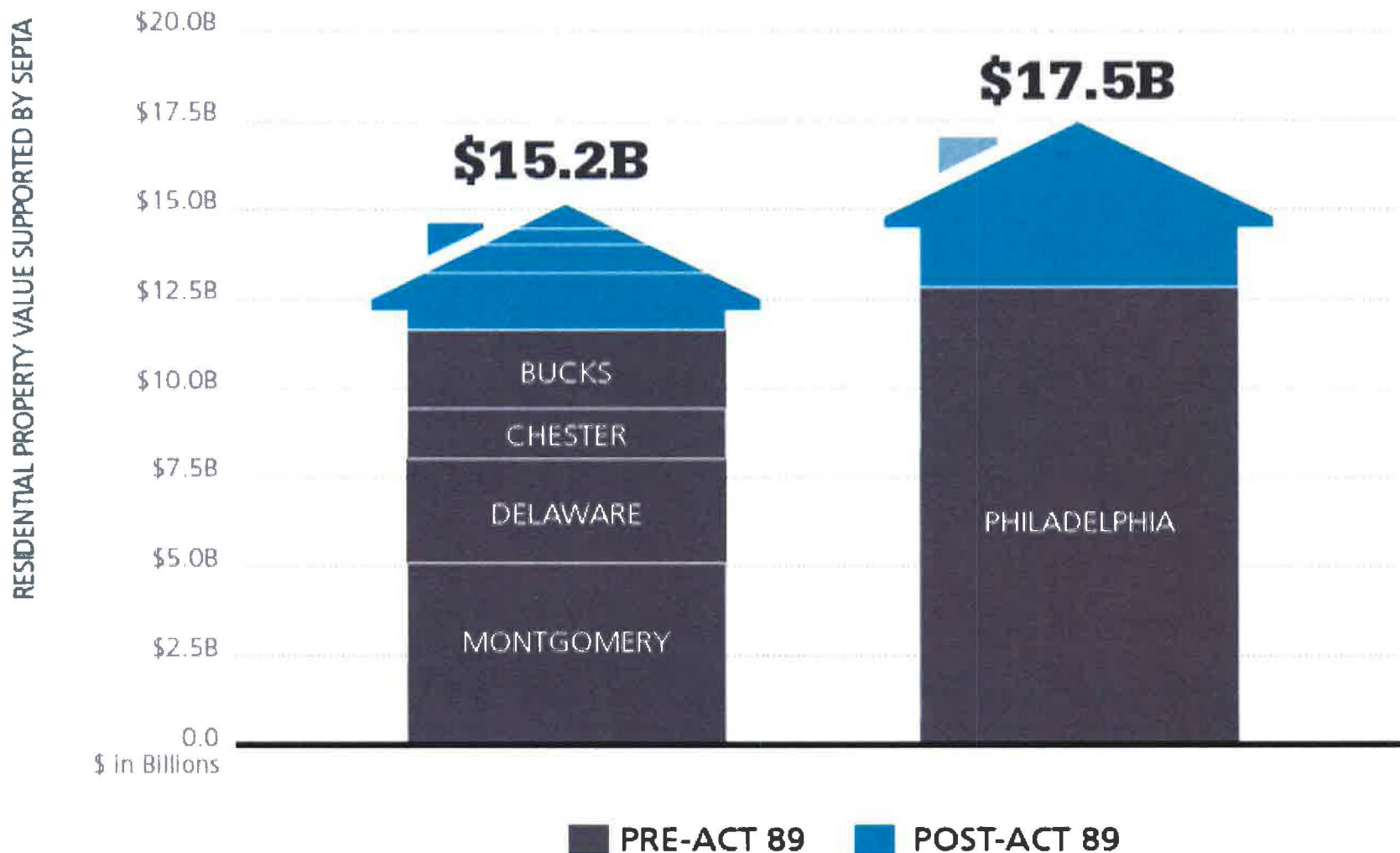
NEIGHBORHOODS



CENTRAL BUSINESS DISTRICT



Access to transit increases home values. Statistical models allow economists to isolate this value through the analysis of housing sales. **ACCESS TO SEPTA SERVICE CONTRIBUTES A PREMIUM OF \$33 BILLION IN HOUSING VALUE**, representing **11%** OF TOTAL HOUSING VALUE IN SOUTHEASTERN PA.

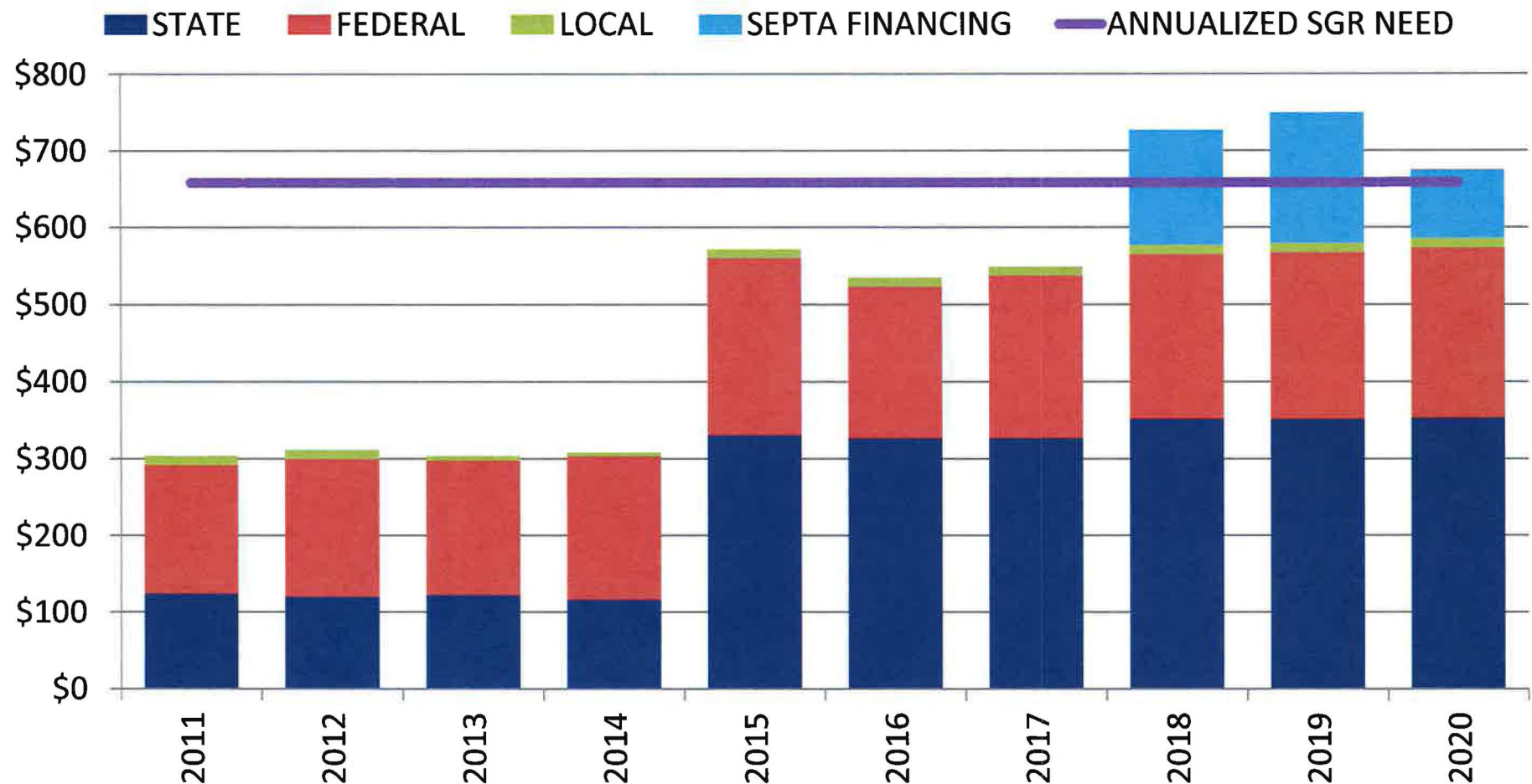


Capital Funding Trend & Backlog Reduction



Impact of Pennsylvania Act 89

CAPITAL BUDGET TREND VS. NEED



Infrastructure Investments



Business-Like Approach

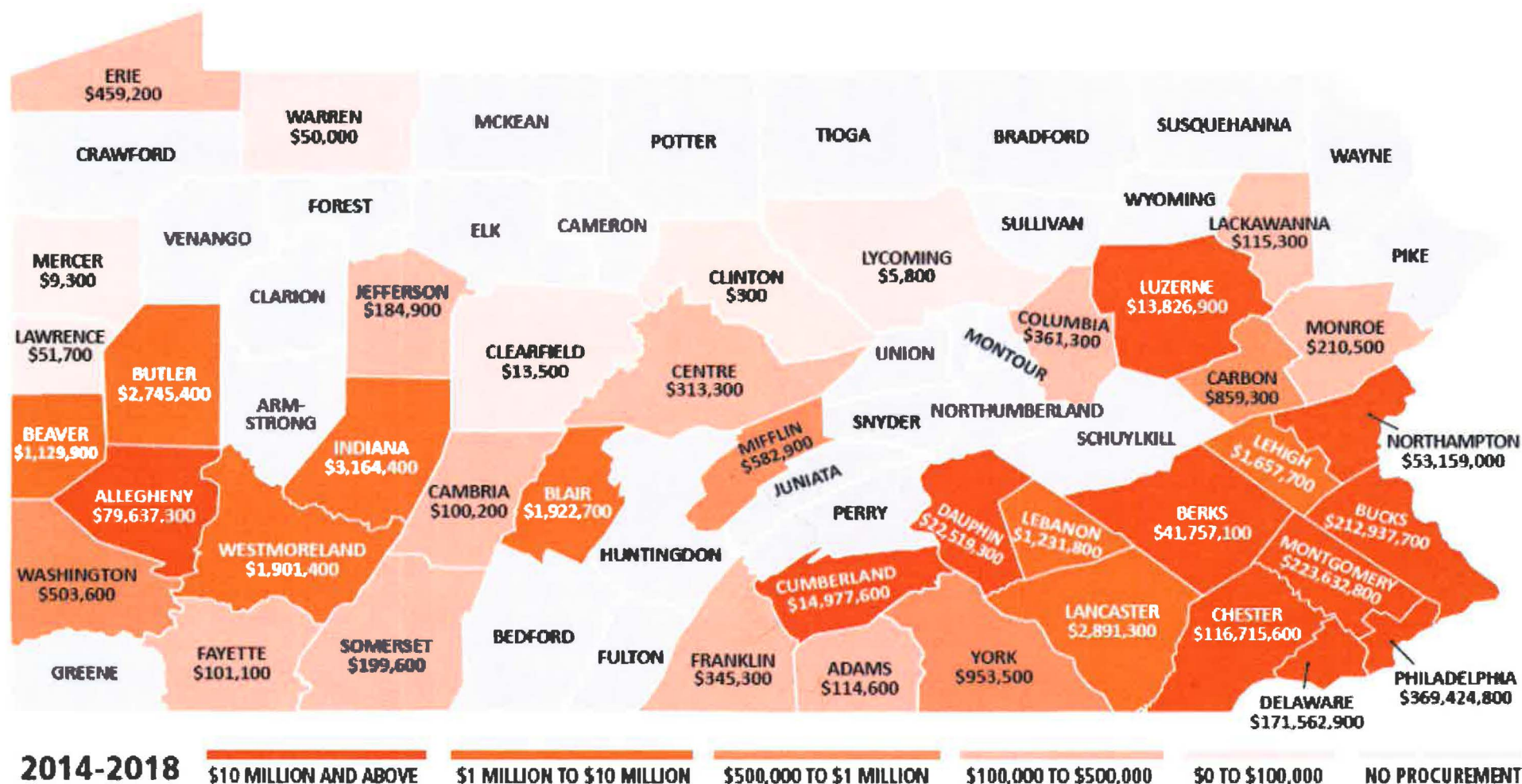
SIGNATURE ACT 89 PROJECT: CRUM CREEK VIADCUT



- Original Structure Built 1854; Replaced 1895 – 17 Spans, 915' Long
- 25-Year Life Extension Performed by SEPTA Upon Acquisition in 1983
- Emergency Repairs for Corrosion, Cracks & Bolted Connections in Sep 2013
- PA Act 89 Passed in Nov 2013, Providing Funding for Complete Replacement
- Design-Build Method Resulted in Capital Cost Savings & 1% Change Order Rate
- Demolition & Erection of Superstructure During Summer 2016 Outage
- Project Completed Fall 2016, Less Than 3 Years After Passage of PA Act 89

**SEPTA PROCUREMENT OF GOODS AND SERVICES SUPPORTS
JOBS AND ECONOMIES ACROSS PENNSYLVANIA**

In the five years following the passage of Pennsylvania Act 89 (2014 – 2018), SEPTA has issued a total of **\$1.34B IN CONTRACTS TO PA COMPANIES**, an **average annual value** of **\$269M PER YEAR**.



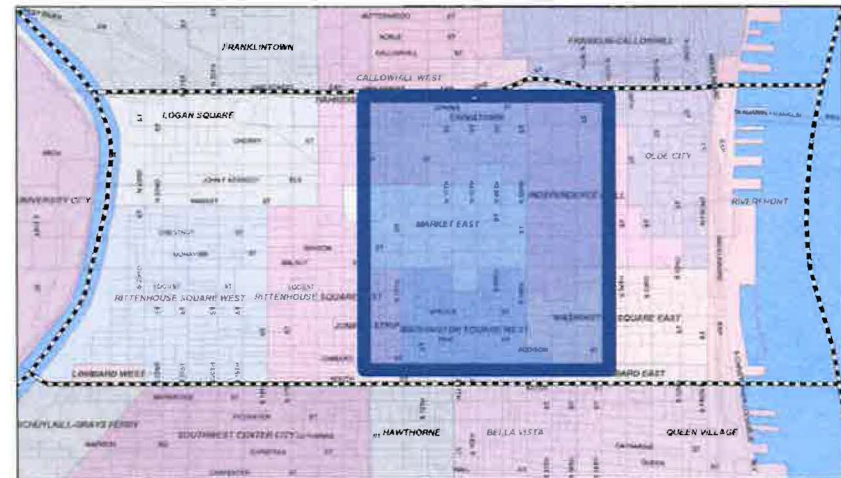
SEPTA Supports Statewide Job Growth



SEPTA Solar Farm Will Create 150 Construction Jobs in Franklin County, PA

~20% OF SEPTA'S ELECTRICITY WILL BE FROM SOLAR BY 2021

- Power Purchase Agreement for two New Solar Fields – 20 MW & 15 MW
- Construction to Start in 2019 and be Complete by 2021
- 71,765 MWh Annually (of SEPTA's 380,000 MWh Annual Load)
- 20 Year Fixed-Price: \$28.65 per MWh (0% Escalator)
- \$395,000 Estimated Annual Savings (\$7.9M over 20 Year Contract)



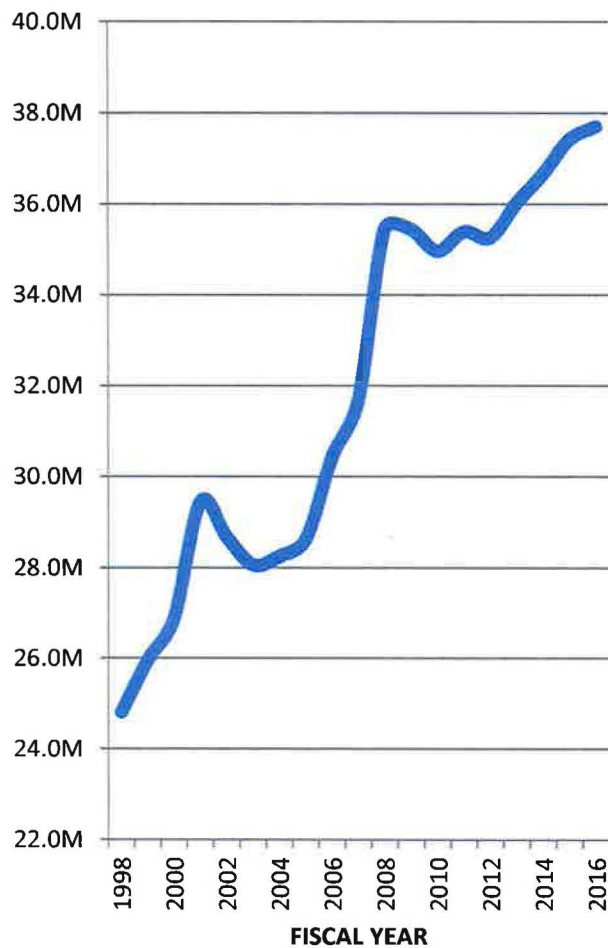
**35 MW SOLAR FIELD
=
1/3 OF CENTER CITY**

SEPTA's New Challenge: Capacity

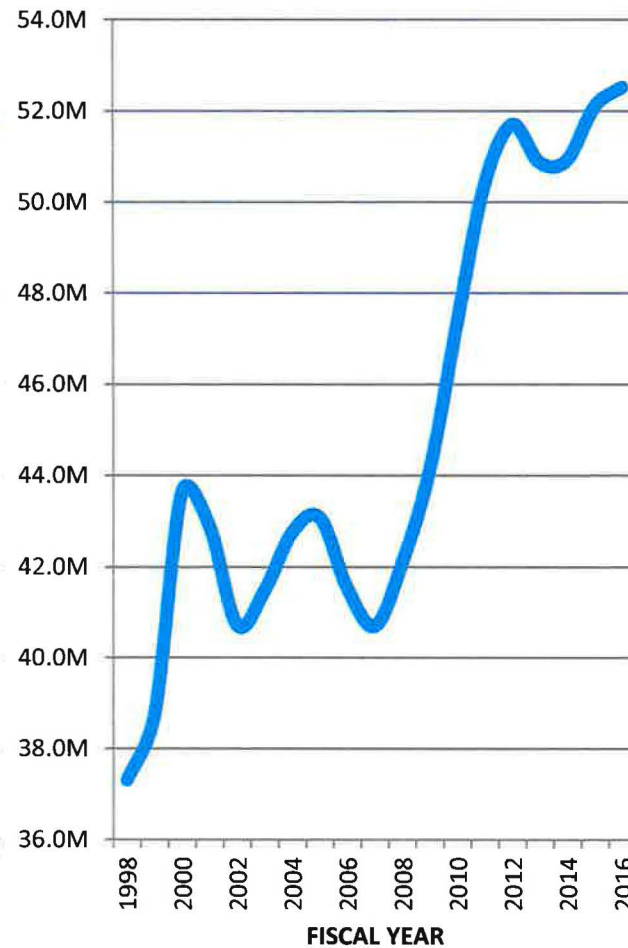


Ridership Growth

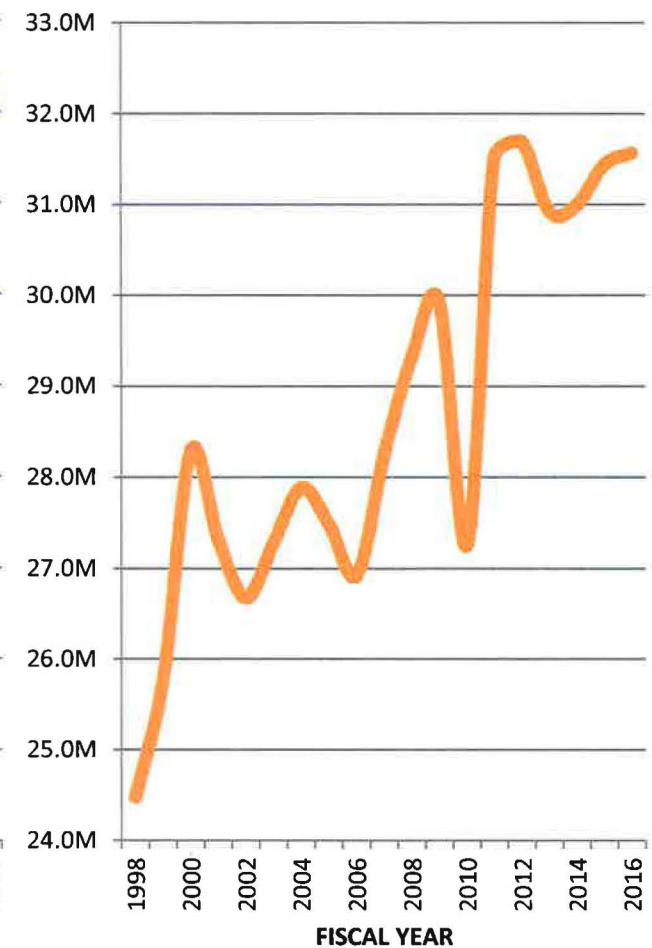
REGIONAL RAIL +52%



MFL +41%



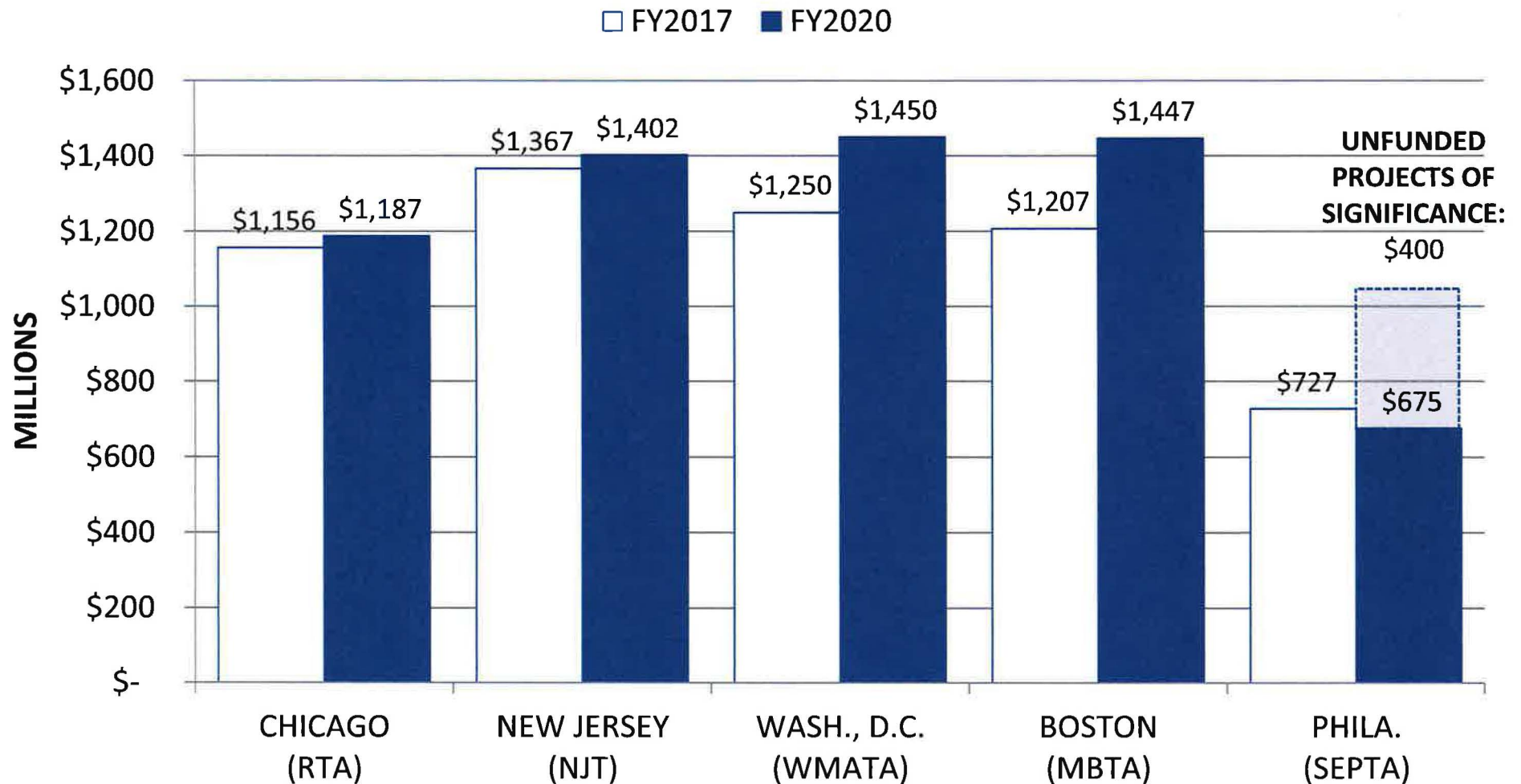
BSL +29%



Competitor Regions Are Investing Billions



Capital Budget Comparison – FY2017 vs. FY2020



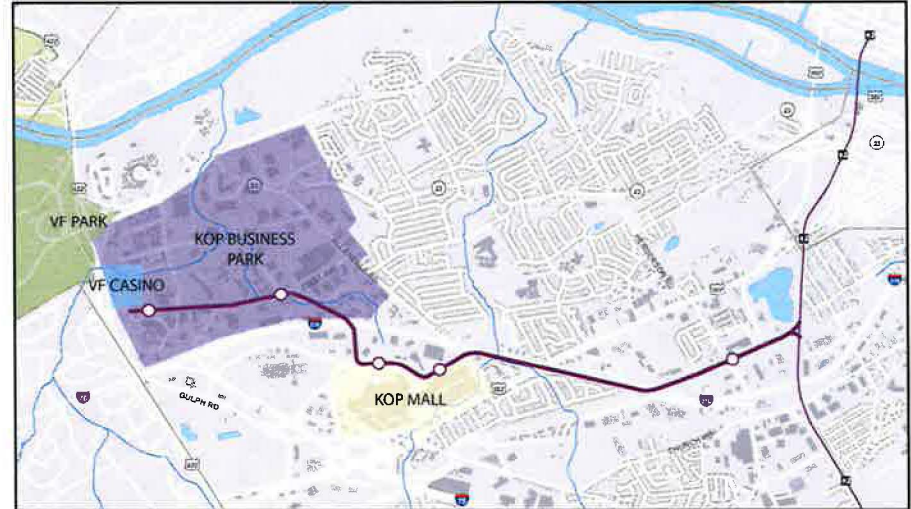
Projects of Significance



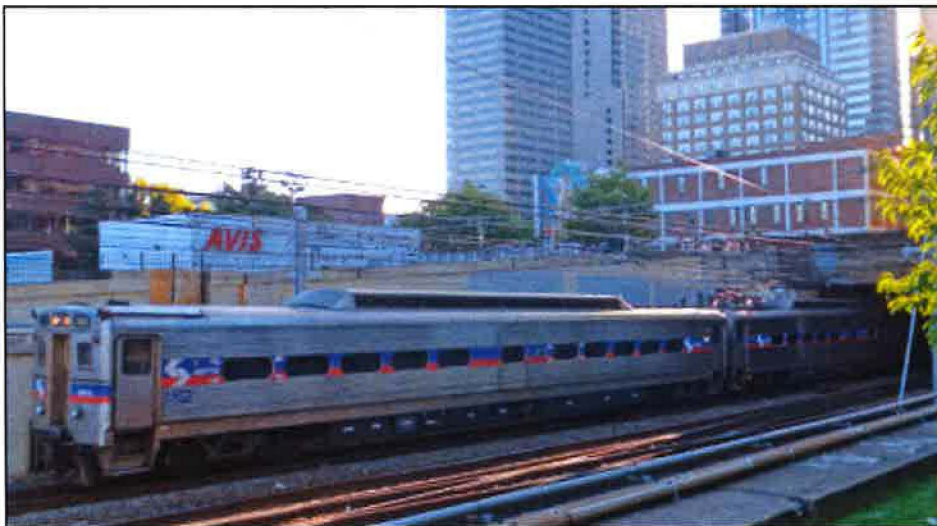
MFL CAPACITY (8-CAR TRAINS)



KING OF PRUSSIA RAIL



REGIONAL RAIL CAPACITY



TROLLEY MODERNIZATION



Return on Investment – Projects of Significance



Impact on Development, Jobs, and Tax Revenues

WILL ACCELERATE RATE OF GROWTH IN THE REGION BY AN ESTIMATED 50%



+11.4M Square Feet

of additional commercial development in Center/University City & King of Prussia



+\$20.5B Value Added

to residential & commercial property across the region



+149,900 New Jobs & \$10.1B in Earnings

across the region



+\$17.1B New Tax Revenue (NPV)

a 12.3% rate of return, exceeding private-sector benchmarks

What's At Stake



Growing Congestion, Development Projects Scaled Back

THE COST OF CONGESTION

- **\$152M** time & transport annual value loss (\$260 “tax” per household)
- **15,700** foregone jobs and **\$1.08B** earnings (~4 Comcast Towers)
- **\$21M** additional SEPTA operating costs & revenue losses annually
- **Negative Feedback Loop:** Congestion → declining transit service quality → more cars → more congestion



State & Local Solutions Needed

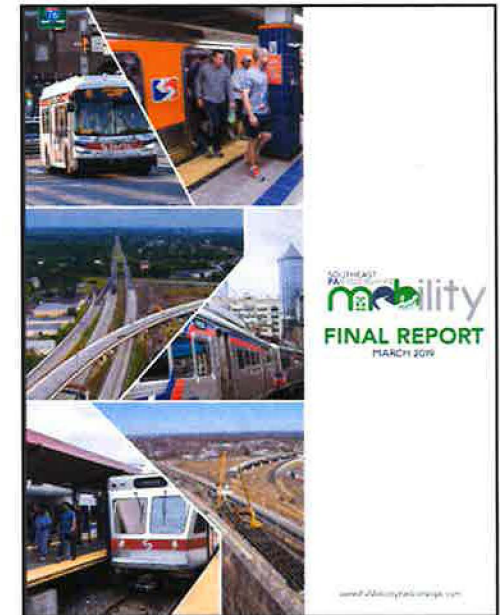


STATE:

- **CHALLENGE:** In 2022, Transit Capital Funding Shifts from PA Turnpike-Backed Bond Funds to the Motor Vehicle Sales & Use Tax, Creating a \$450M General Fund Gap
- **PROPOSED SOLUTION:** Prior to 2022, Initiate a Phased Transition of Turnpike Obligations to the General Fund, Providing a More Gradual Budget Impact, and Giving Transit Systems the Ability to Bond for Capital Investments (Example: S.B. 778)

LOCAL:

- **CHALLENGE:** Unlike Competitor Regions Who are Investing Big, PA Communities Have Limited Ability to Raise Funds Locally for Needed Infrastructure Investments to Address Population & Job Growth
- **PROPOSED SOLUTION:** Enable Local Governments to Generate Funds to Help Advance Projects of Significance in Their Communities





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