

# Corridor Cities Transitway (CCT) Financing Capacity Analysis

Technical Memorandum

February 25, 2019



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# 1 Executive Summary

## 1.1 Purpose of Analysis

The purpose of this planning-level analysis is to assess the approximate tax rates for financing a portion of the costs of the Corridor Cities Transitway (CCT), a proposed bus rapid transit (BRT) line in Montgomery County, with a special taxing district. This analysis was requested by the Commercial Property Owners Coalition (CPOC), a group representing multiple property owners along the CCT corridor, and was completed in coordination with the Montgomery County Department of Transportation (MCDOT) and the Maryland Department of Transportation (MDOT). The project team included participation from CPOC, MCDOT, and MDOT. The analysis provides a preliminary understanding of potential alternatives to levy a special tax rate on certain properties within a district to generate revenue to repay principal and interest on bonds issued to finance a portion of CCT project costs.

## 1.2 Analysis Framework and Assumptions

The analysis assessed financing \$100 million of CCT project costs<sup>1</sup> and resulted in four alternative special taxing districts (“tax districts”) for consideration. The boundaries of the tax districts are based on either distance to the planned BRT corridor or distance from a planned BRT station. The analysis excludes any properties that will not be subject to the special tax such as most tax-exempt properties and certain residential properties.

### *Alternative Tax Districts Under Consideration*

- 1) Partially to 100% within Quarter-mile of Corridor
- 2) 100% within Half-mile of Corridor
- 3) Partially to 100% Within Half-mile of Stations
- 4) Partially to 100% within Half-mile of Corridor

The analysis entailed making planning-level assumptions for the bond issuance. For each of the tax districts included in the analysis, annual debt service payments were estimated assuming two interest rates (4.0 percent and 5.5 percent) and two bond terms (20-years and 30-years). In addition, assumptions were made for debt service structure and coverage, credit ratings, reserves, costs of issuance, and other factors.<sup>2</sup> Assumptions are based on a prior Montgomery County special taxing district bond issuance and broader municipal bond market data research.

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<sup>1</sup> Project costs include CCT capital costs, bond issuance costs, and debt service reserve funds for bonds.

<sup>2</sup> The project team is not a registered municipal advisor; financing assumptions used in the analysis are subject to change based on market conditions, policy decisions, legislative changes, stress testing by rating agencies and other analysts, and other factors.

### 1.3 Estimated Special Tax Rates

The special tax rate required in each tax district to repay the CCT bonds was calculated based on the estimated annual debt service. Table 1 summarizes the resulting estimated tax rates for the four tax districts under consideration to show the range of potential special tax rates necessary to support the bond issuance. Tax rates shown are per \$100 of assessed value. The 'Final Year Tax Rate' assumes the tax districts' assessed values increase over time allowing for a decrease in the special tax rates required to meet the annual debt service requirements.

*Table 1: Debt Service Payments and Special Tax Rates*

			<u>Special Tax Rates* by Bond Term and Interest Rate**</u>				
			<i>Bond Term</i>	<b>20-Year</b>	<b>20-Year</b>	<b>30-Year</b>	<b>30-Year</b>
			<i>Interest Rate</i>	<b>5.50%</b>	<b>4.00%</b>	<b>5.50%</b>	<b>4.00%</b>
<u>Reference</u>	<u>Distance</u>	<u>Qualifier</u>	<i>Annual Debt Service</i>	<b>\$8,367,933</b>	<b>\$7,358,175</b>	<b>\$6,880,539</b>	<b>\$5,783,010</b>
<b>Corridor</b>	<b>Qtr.-mile</b>	<b>Partially to 100%</b>	<i>First Year Tax Rate</i>	\$0.1701	\$0.1496	\$0.1399	\$0.1176
			<i>Final Year Tax Rate</i>	\$0.1014	\$0.0892	\$0.0635	\$0.0534
<b>Corridor</b>	<b>Half-mile</b>	<b>100%</b>	<i>First Year Tax Rate</i>	\$0.1416	\$0.1245	\$0.1164	\$0.0979
			<i>Final Year Tax Rate</i>	\$0.0844	\$0.0742	\$0.0529	\$0.0445
<b>Stations</b>	<b>Half-mile</b>	<b>Partially to 100%</b>	<i>First Year Tax Rate</i>	\$0.1312	\$0.1153	\$0.1078	\$0.0906
			<i>Final Year Tax Rate</i>	\$0.0782	\$0.0688	\$0.0490	\$0.0412
<b>Corridor</b>	<b>Half-mile</b>	<b>Partially to 100%</b>	<i>First Year Tax Rate</i>	\$0.1232	\$0.1084	\$0.1013	\$0.0852
			<i>Final Year Tax Rate</i>	\$0.0735	\$0.0646	\$0.0460	\$0.0387

*\*Tax rates are per \$100 of assessed value*

*\*\* For \$100 million bond financing*

## 2 Background

The Corridor Cities Transitway (CCT) is a potential 15-mile bus rapid transit (BRT) project in Montgomery County, Maryland that would extend from the Comsat facility near Clarksburg to the Shady Grove Metro station. The project is currently designed to have two phases. Phase 1 covers nine miles from the Metropolitan Grove Maryland Area Regional Commuter (MARC) station to the Shady Grove Metro station, and would provide transit service to new and existing centers of commerce, residential, and educational development, including Metropolitan Grove, Kentlands, The Universities at Shady Grove, Life Sciences Center (LSC), Crown Farm, and King Farm. These developments have been planned and constructed as transit-oriented mixed-use developments.

The capital cost estimate for Phase 1 of the CCT is approximately \$500 million. The cost estimate includes capital costs as well as costs associated with right-of-way (ROW) acquisitions, vehicle purchases, and professional services such as engineering and project management for design and construction. This technical memorandum outlines a preliminary planning-level assessment of the annual debt service requirements for a bond issuance that results in proceeds of \$100 million and the revenue-generating potential of alternative special taxing districts (“tax districts”) to repay the bonds (“CCT bonds”).

## 3 Methodology

The analysis initially included twelve alternative tax districts. The boundaries of the tax districts are based on either distance to the planned BRT corridor or distance from a planned BRT station (please see Appendix I for maps of each tax district). Montgomery County provided the data file which listed the assessed values of the properties in each tax district. The project team decided that properties such as tax-exempt properties and certain residential properties were to be excluded from the analysis as they would not be subject to the special tax.<sup>3</sup>

The estimated annual debt service on a \$100 million bond issuance was then calculated to determine the tax rate that would need to be assessed in each tax district to support the debt service on the CCT bonds (please see Appendix II for reports detailing the estimated special tax rates for each tax district). The following subsections provide details on the analysis’ framework and assumptions.

### 3.1 Assessed Values of the Alternative Tax Districts

The properties in the data file were marked as falling within a tax district boundary as determined by the following criteria:

1. Point of reference: BRT Corridor or BRT Stations
2. Distance to point of reference: Quarter-mile or Half-mile
3. Within boundary qualifier: Partially to 100 percent, at least 50 percent, or 100 percent of property within the boundary

After calculating the current total assessed value of the properties within each tax district, potential growth in assessed values was then estimated based on the 10-year historical growth in commercial property values for all of Montgomery County from FY2008 to FY2017.<sup>4</sup> The data resulted in a projected annualized growth rate of approximately 2.76 percent (please see Appendix III for the detailed historical

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<sup>3</sup> The data file included certain properties that are currently not assessed a property tax, but were determined by CPOC as potential payers of the special tax.

<sup>4</sup> Montgomery County 2017 Comprehensive Annual Financial Report.

assessed value data). For the purposes of this analysis, assumptions of projected growth in assessed values of the tax districts will result in decreases to their respective special tax rates while maintaining the overall annual revenue amount needed to meet the annual debt service requirement for the CCT bonds. From a property owner’s perspective, if their property increases in value at the same rate as the County as a whole, the annual dollar amount they would pay in special taxes will stay constant as the special tax rate will decrease accordingly.

### 3.2 Bond Assumptions

In addition to the assumptions related to the tax districts, the financing analysis includes numerous planning-level assumptions related to the CCT bonds including debt service structure, interest rates, credit ratings, debt service coverage requirements, reserves, costs of issuance, and other factors.<sup>5</sup> Table 2 provides a summary of the bond assumptions. Rationale for each assumption is discussed in the subsections below.

*Table 2: Summary of Bond Assumptions*

<b>Factor</b>	<b>Assumption</b>
Source of Financing	Special Taxing District Bonds
Repayment Sources	Special Taxing District Revenues
Credit Rating	Single ‘A’
Interest Rate	4.0 percent and 5.5 percent
Amortization Structure	Level annual debt service
Bond Term	20-years and 30-years
Debt Service Coverage Ratio	1.11 times
Debt Service Reserve Fund	10 percent of principal amount of bonds
Cost of Issuance	1.5 percent of principal amount of bonds

#### Credit Rating

A key factor in determining the estimated interest rate for a bond issuance is the bonds’ credit rating. The assumed credit rating for the CCT bonds is a single-A based on the strong credit ratings of municipal bonds issued by Montgomery County, and on the credit rating of a prior bond issuance for a Montgomery County special taxing district.

The State of Maryland has existing legislation that enables the creation of special taxing districts by counties and municipalities.<sup>6</sup> Montgomery County has previously issued bonds on behalf of two special taxing districts.<sup>7</sup> The most recent issuance occurred in 2014 on behalf of the West Germantown Development District.<sup>8</sup> While issued by Montgomery County, the bonds (“West Germantown bonds”) are not considered liabilities of the County, and only the special taxes and assessments from the district are pledged to the repayment of the bonds. It is assumed the CCT bonds would also be non-recourse to the County and repaid solely by the tax district revenues.

<sup>5</sup> The project team is not a registered municipal advisor; financing assumptions used in the analysis are subject to change based on market conditions, policy decisions, legislative changes, stress testing by rating agencies and other analysts, and other factors.

<sup>6</sup> Code of Maryland Local Government, Division IV. Local Finance [Titles 16-23] Title 21. Special Taxing Districts.

<sup>7</sup> Montgomery County. Debt Summary. Retrieved November 11, 2018 from <https://www.montgomerycountymd.gov/bonds/debt.html>

<sup>8</sup> Issuance of \$12.025 million in bonds to refund outstanding bonds previously issued on behalf of the district to finance the construction of infrastructure.

At the time of issuance, the West Germantown bonds received an A+ rating from both Fitch and Standard & Poor's (S&P).<sup>9</sup> According to Electronic Municipal Market Access (EMMA), the official source for municipal securities data and disclosure documents, the bonds have maintained the S&P rating of A+ and are now rated AAA by Fitch.<sup>10</sup> The County also maintains AAA ratings from Moody's, Fitch, and S&P for its general obligation bonds.<sup>11</sup> The strong assessed value property base of Montgomery County is a primary factor for those ratings, but unlike the County's general obligation bonds, the full faith and credit of the County will not be pledged to the CCT bonds. As such, similar to the West Germantown bonds, the CCT bonds are assumed to receive a single-A rating at time of issuance.

### Interest Rate

The analysis calculated the debt service requirements that result from a 4.0 percent interest rate and a 5.5 percent interest rate. The range in rates is provided given the preliminary nature of the analysis and sensitivity to market conditions and other factors at the time of issuance. The interest rates are based on a review of the current and historic trends in the Bond Buyer 20 Index (20-Bond Index). The index serves as a common industry standard developed from a portfolio of 20 general obligation bonds that mature in 20 years with average ratings equivalent to Moody's Aa2 and S&P's AA. Appendix IV shows the historic values for the 20-Bond Index. While the rate has trended up since 2016, it is still at historic lows when reviewing rates since 1970. As of November 15, 2018, the 20-Bond Index rate is 4.3 percent.<sup>12</sup> Based on this rate and historic trends, and considering the assumed single-A credit rating of the CCT bonds is lower than that of the index and an assumed 30-year term is longer than that of the index, the analysis looks at debt service requirements assuming rates of both 4.0 percent and 5.5 percent.<sup>13</sup>

### Amortization Structure and Bond Term

The analysis looks at the debt service requirements of both a 20-year and a 30-year bond term which are typical terms for financings for infrastructure investments such as the CCT. The debt service structure assumes level debt service, which means that the required amount of debt service to be paid in each year remains constant.

### Debt Service Coverage Ratio

Projected revenues must exceed annual debt service payments by a certain minimum amount to comply with bond covenants that provide assurances to investors that the debt service will be paid. This is measured in the 'debt service coverage ratio' which is based on the credit quality of the bonds and other factors. For example, the West Germantown bonds' official statement projects that a debt service coverage ratio of at least 1.11 will be maintained throughout the term of the bond. An assumed debt service coverage ratio of 1.11 is used in the analysis based on the West Germantown bonds.

### Debt Service Reserve Fund

Establishment of a debt service reserve fund is a common practice that provides a resource to draw on if collected tax revenues are insufficient to meet debt service requirements. For the purpose of the

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<sup>9</sup> M&T Securities, Inc. (2014, August 13). Official Statement Dated August 13, 2014 - \$12,025,000 Montgomery County, Maryland Special Obligation Refunding Bonds (West Germantown Development District) Senior Series 2014.

<sup>10</sup> EMMA. Issue Details - Montgomery County Maryland Special Obligation Refunding Bonds West Germantown Development District Senior Series 2014 (MD). Retrieved November 13, 2018 from <https://emma.msrb.org/IssueView/Details/ER363217>

<sup>11</sup> EMMA. Bond Search. <https://emma.msrb.org/Search/Search.aspx>

<sup>12</sup> WM Financial Strategies. Rates Over Time - Interest Rate Trends. Retrieved November 20, 2018 from <http://www.munibondadvisor.com/market.htm>

<sup>13</sup> Given the preliminary nature of the analysis, it is assumed that the coupon rate equals the yield.

planning-level analysis, a debt service reserve fund in the amount of 10 percent of bond proceeds (\$10 million) is assumed.

**Costs of Issuance**

The issuance of bonds incurs costs such as legal fees, registered municipal advisor fees, underwriter’s discount, trustee fees, and others. These costs vary depending on the complexity of the issuance. Given the preliminary nature of the analysis, it is assumed that the costs of issuance total 1.5 percent of bond proceeds (\$1.5 million).

## 4 Findings

### 4.1 Assessed Values of Alternative Tax Districts

This analysis focuses on the four potential tax districts with initial year special tax rates no greater than \$0.18 per \$100 of assessed value, which was the special tax rate assumed in the 2014 West Germantown bond issuance. Taking into account that special tax rate limit, the project team retained four alternative tax districts of the original twelve for consideration. Table 3 lists the four alternative tax districts that remain for consideration, and includes the number of properties and total assessed value in each district.<sup>14</sup>

*Table 3: Alternative Tax Districts for Consideration*

<u>Reference</u>	<u>Distance</u>	<u>Qualifier</u>	<u>Number of Properties</u>	<u>Total Assessed Value</u>
Corridor	Quarter-mile	Partially to 100%	474	\$5,459,873,400
Corridor	Half-mile	100%	703	\$6,559,763,800
Stations	Half-mile	Partially to 100%	712	\$7,081,662,100
Corridor	Half-mile	Partially to 100%	782	\$7,537,832,900

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<sup>14</sup> The tables in Appendix II detail the boundaries, assessed values, and estimated special tax rates for all of the original 12 initial tax districts.

## 4.2 Debt Service and Special Tax Rates by Alternative Tax District

To determine the estimated special tax rates, the total assessed value of each alternative tax district was compared to the debt service requirements. The special tax rates for the tax districts range from \$0.1701 to \$0.0852 per \$100 of assessed value in the first year. If growth in assessed values is assumed, the rates for the final year of maturity range from \$0.1014 to \$0.0387, as rates are assumed to decrease accordingly while maintaining debt service coverage requirements. The highs and lows in the ranges represent the best- and worst-case scenarios based on the bond assumptions and assessed values. The resulting estimated tax rates are detailed in Table 4 and are sorted in descending order from top to bottom and from left to right.

Table 4: Debt Service Payments and Special Tax Rates

Reference	Distance	Qualifier	Special Tax Rates* by Bond Term and Interest Rate**				
			Bond Term	20-Year	20-Year	30-Year	30-Year
			Interest Rate	5.50%	4.00%	5.50%	4.00%
			Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010
Corridor	Qtr.-mile	Partially to 100%	First Year Tax Rate	\$0.1701	\$0.1496	\$0.1399	\$0.1176
			Final Year Tax Rate	\$0.1014	\$0.0892	\$0.0635	\$0.0534
Corridor	Half-mile	100%	First Year Tax Rate	\$0.1416	\$0.1245	\$0.1164	\$0.0979
			Final Year Tax Rate	\$0.0844	\$0.0742	\$0.0529	\$0.0445
Stations	Half-mile	Partially to 100%	First Year Tax Rate	\$0.1312	\$0.1153	\$0.1078	\$0.0906
			Final Year Tax Rate	\$0.0782	\$0.0688	\$0.0490	\$0.0412
Corridor	Half-mile	Partially to 100%	First Year Tax Rate	\$0.1232	\$0.1084	\$0.1013	\$0.0852
			Final Year Tax Rate	\$0.0735	\$0.0646	\$0.0460	\$0.0387

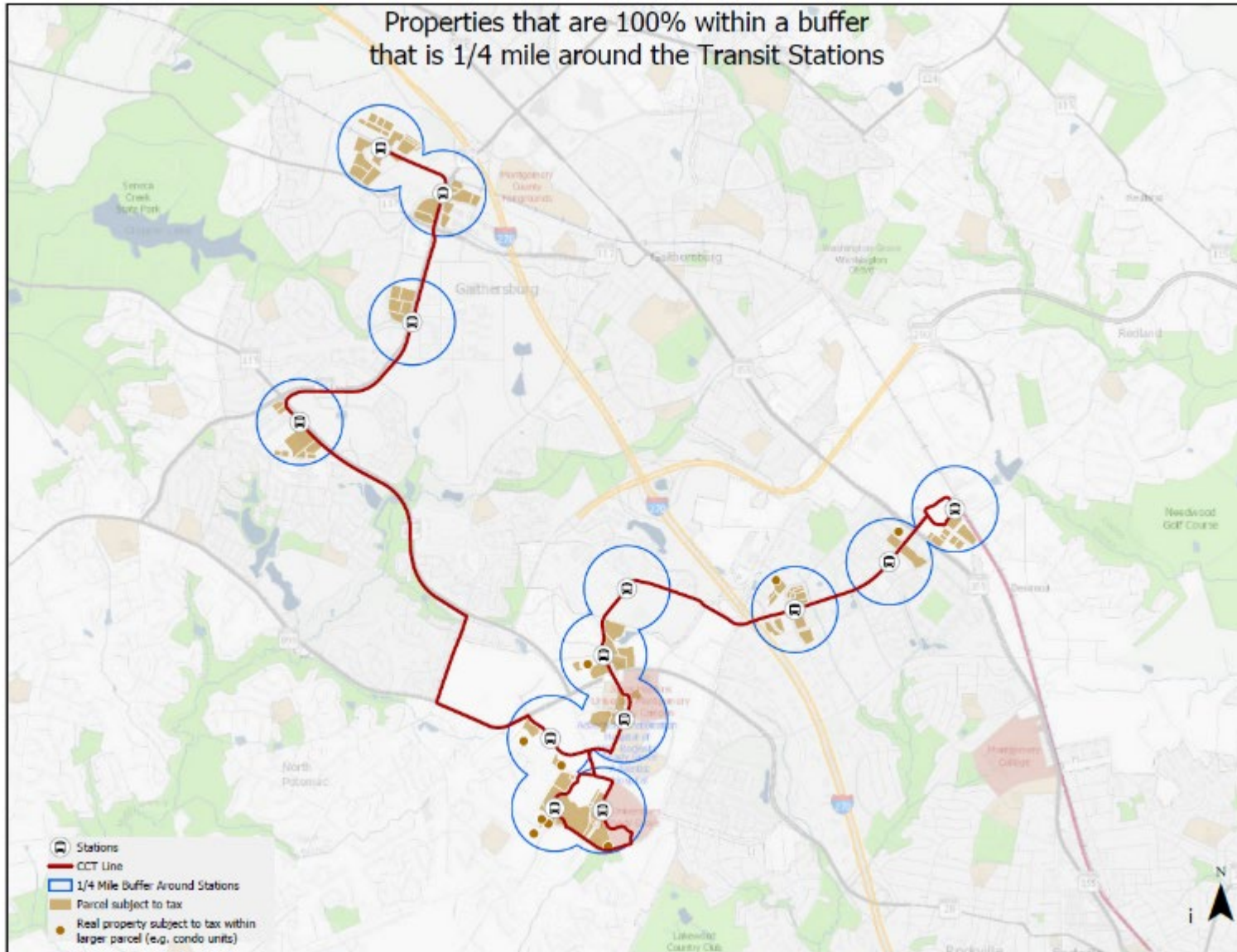
\*Tax rates are per \$100 of assessed value  
 \*\* For \$100 million bond financing

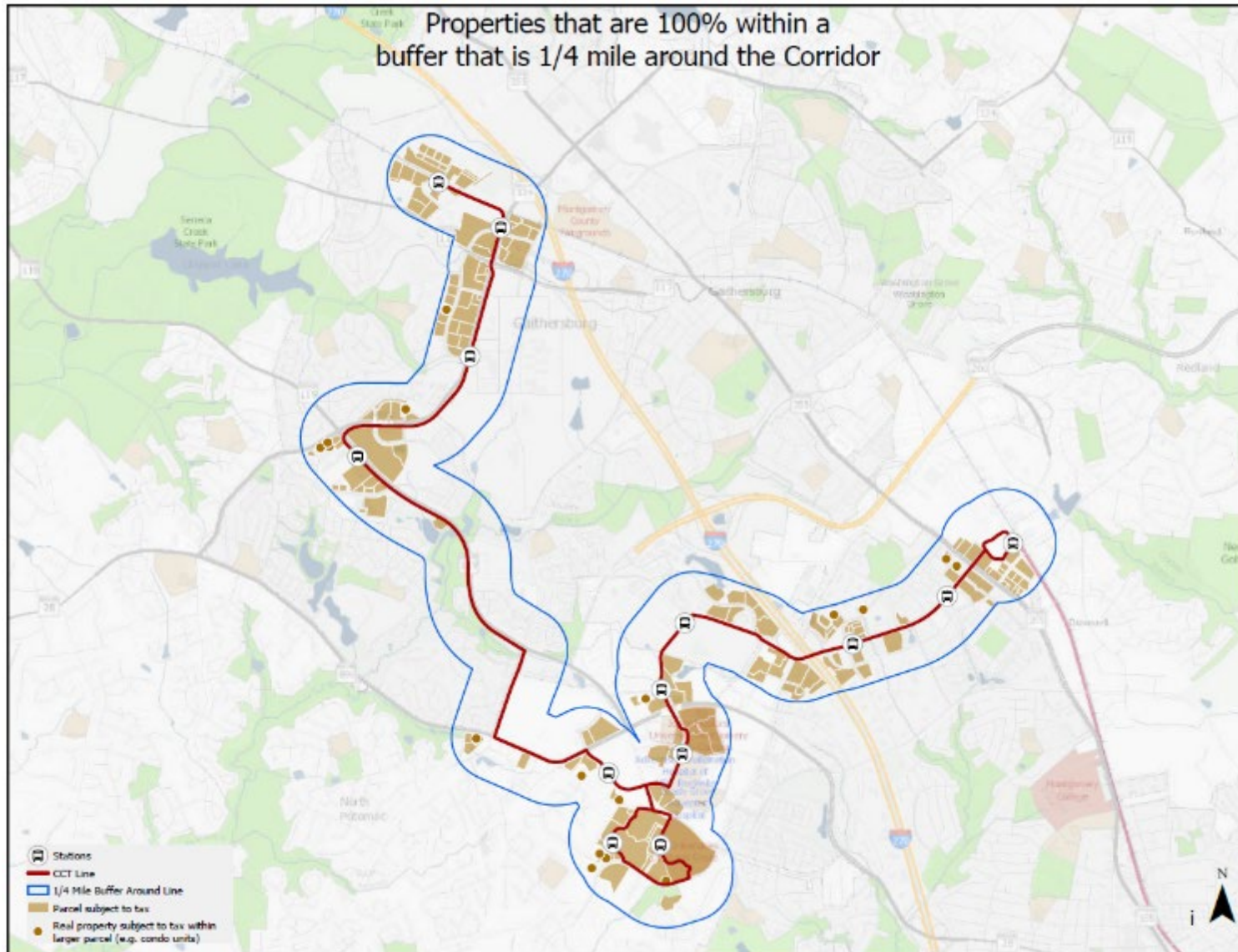
## 5 Conclusion

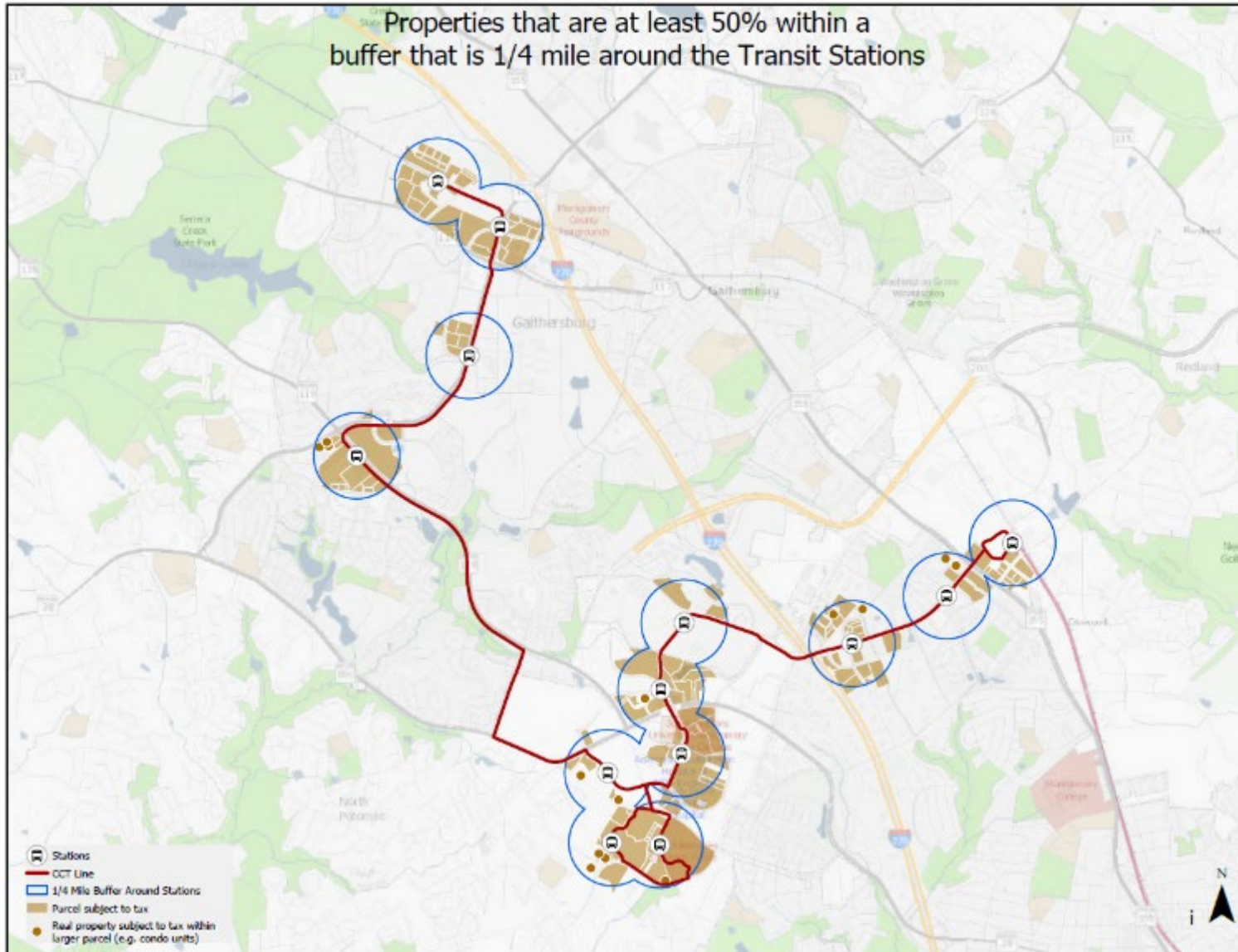
This analysis provides a preliminary approximation of the special tax rates needed to support the bond issuance of \$100 million to fund a portion of the CCT construction costs. If consideration of a CCT tax district advances, the services of a registered municipal advisor and bond counsel should be engaged to analyze the full set of assumptions and legislative requirements for a CCT tax district bond issuance.

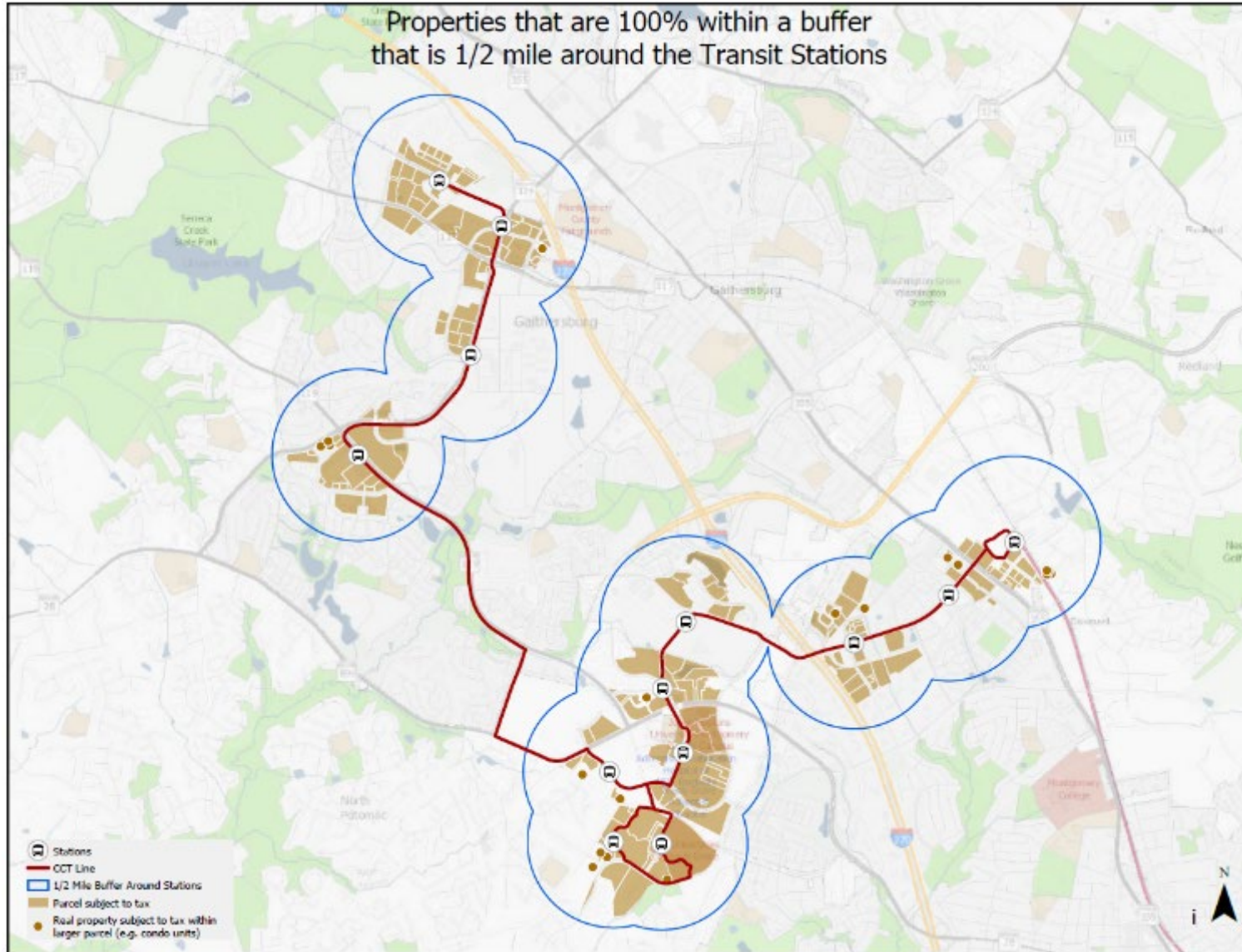
## 6 Appendices

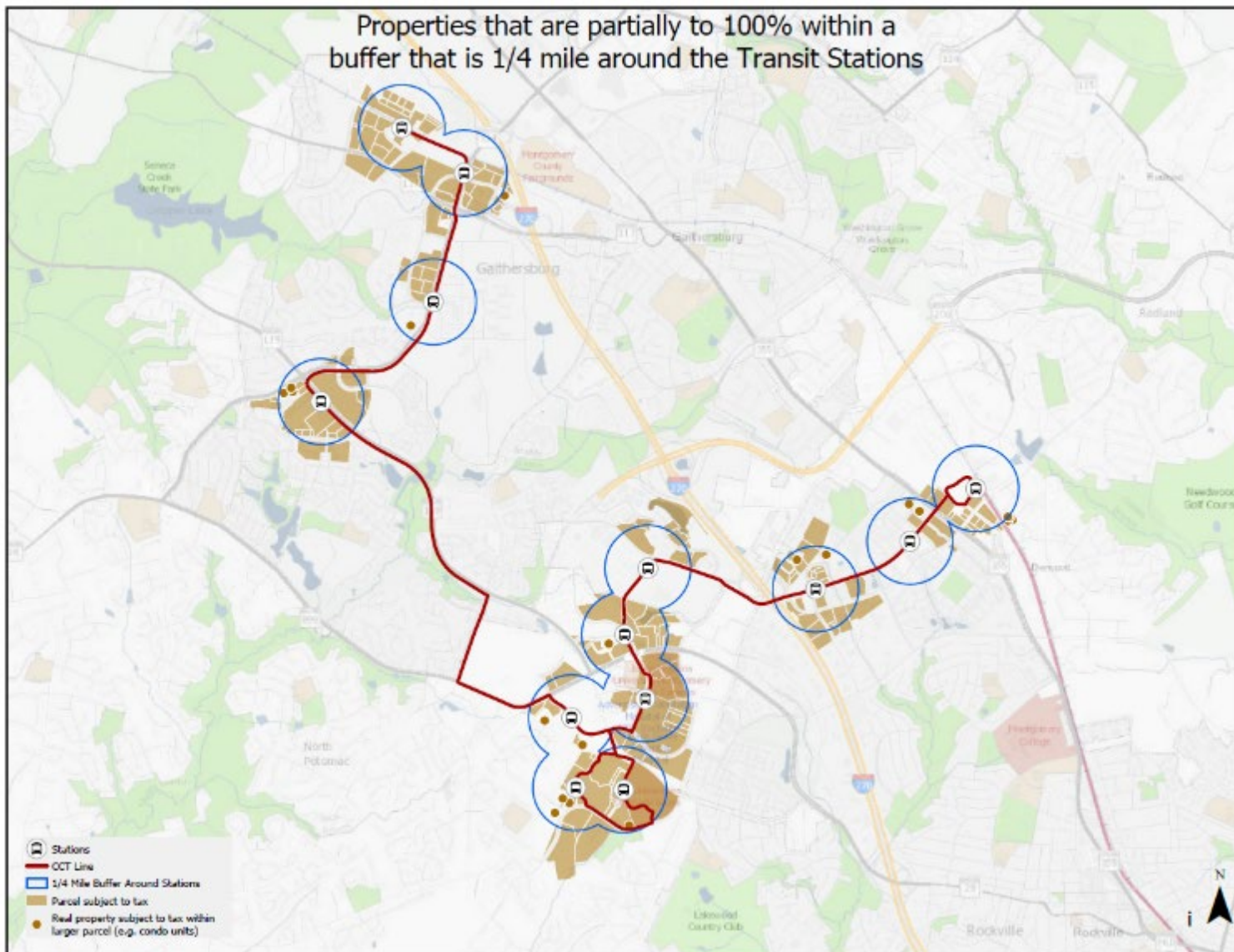
6.1 Appendix I – Maps of Alternative Tax Districts

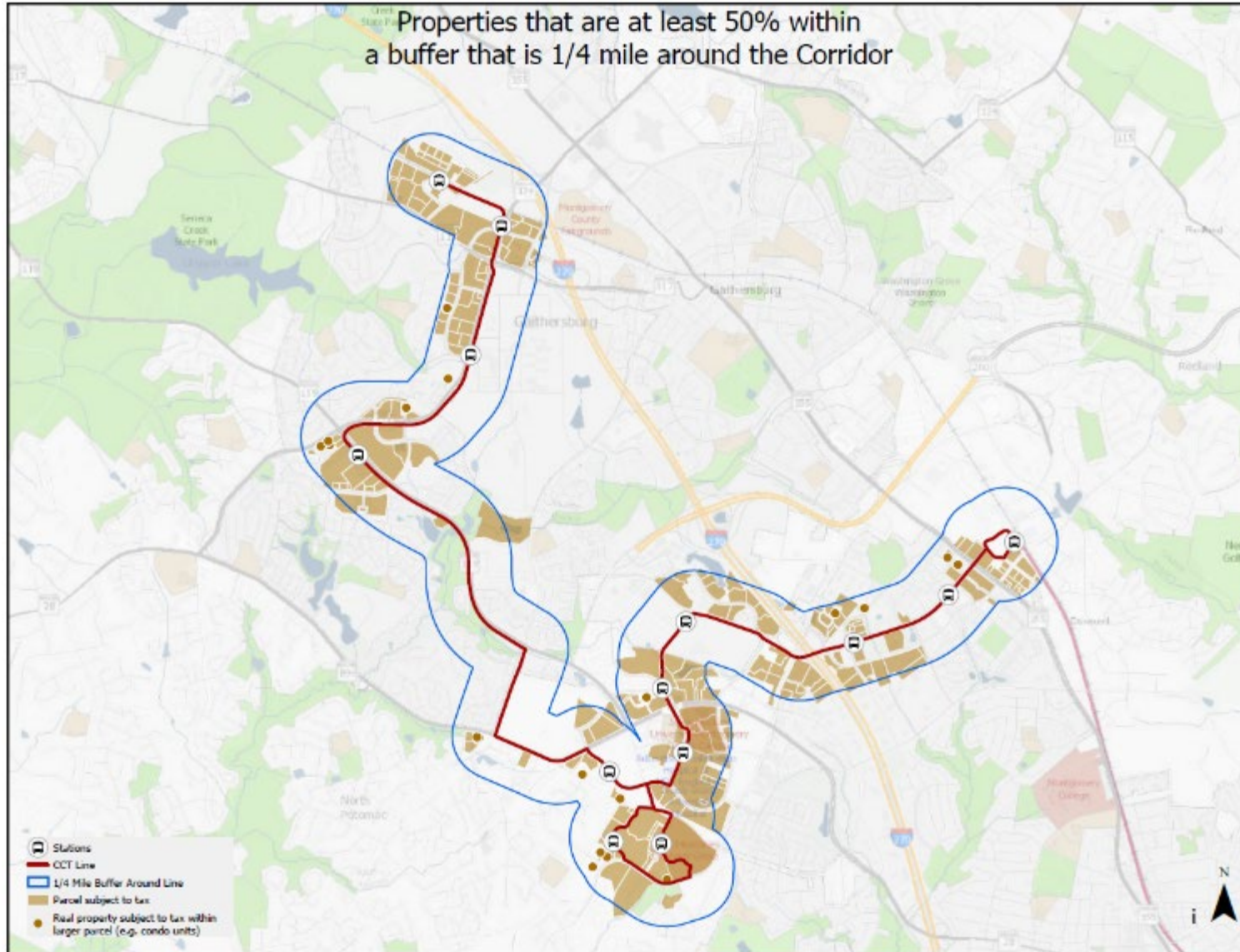


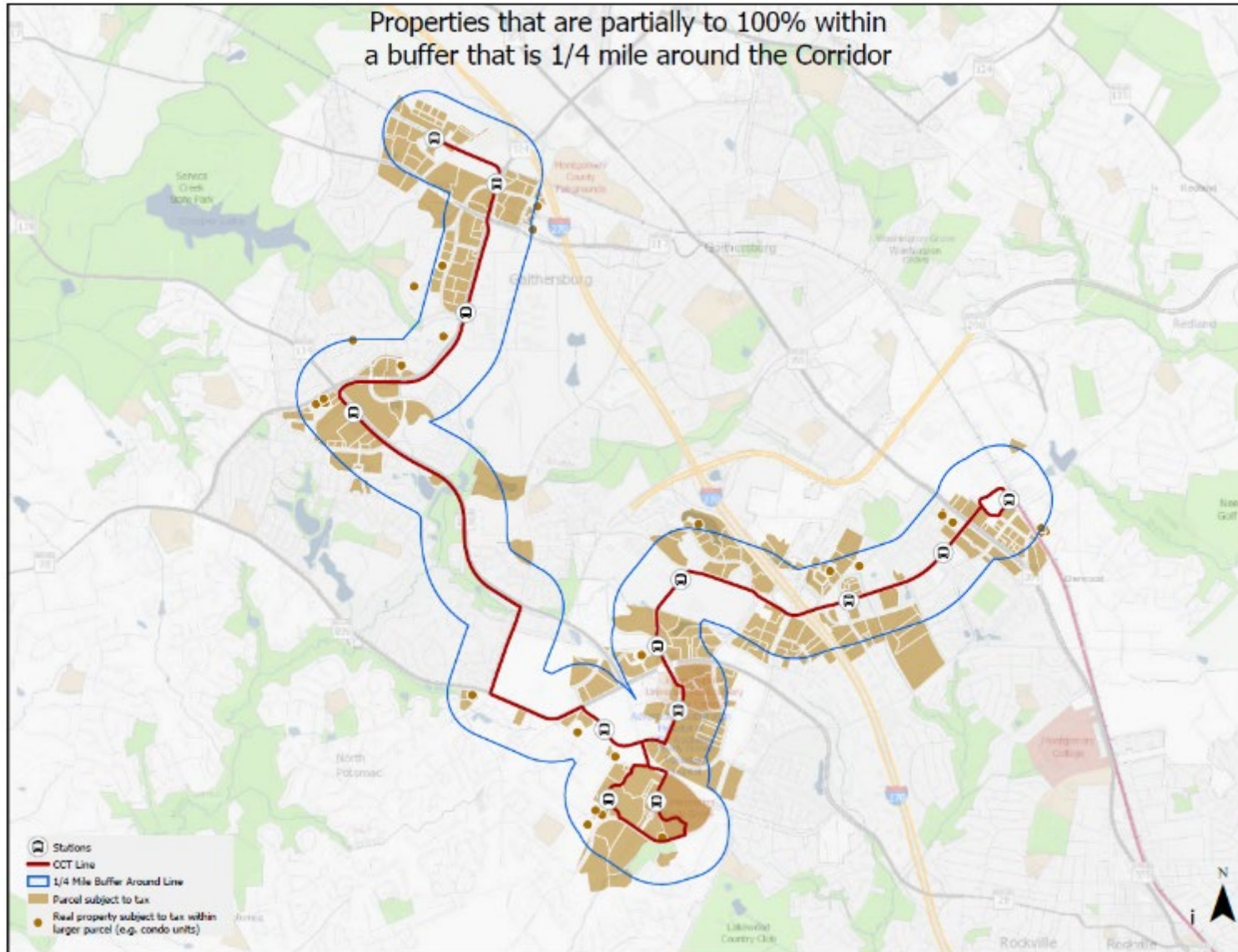


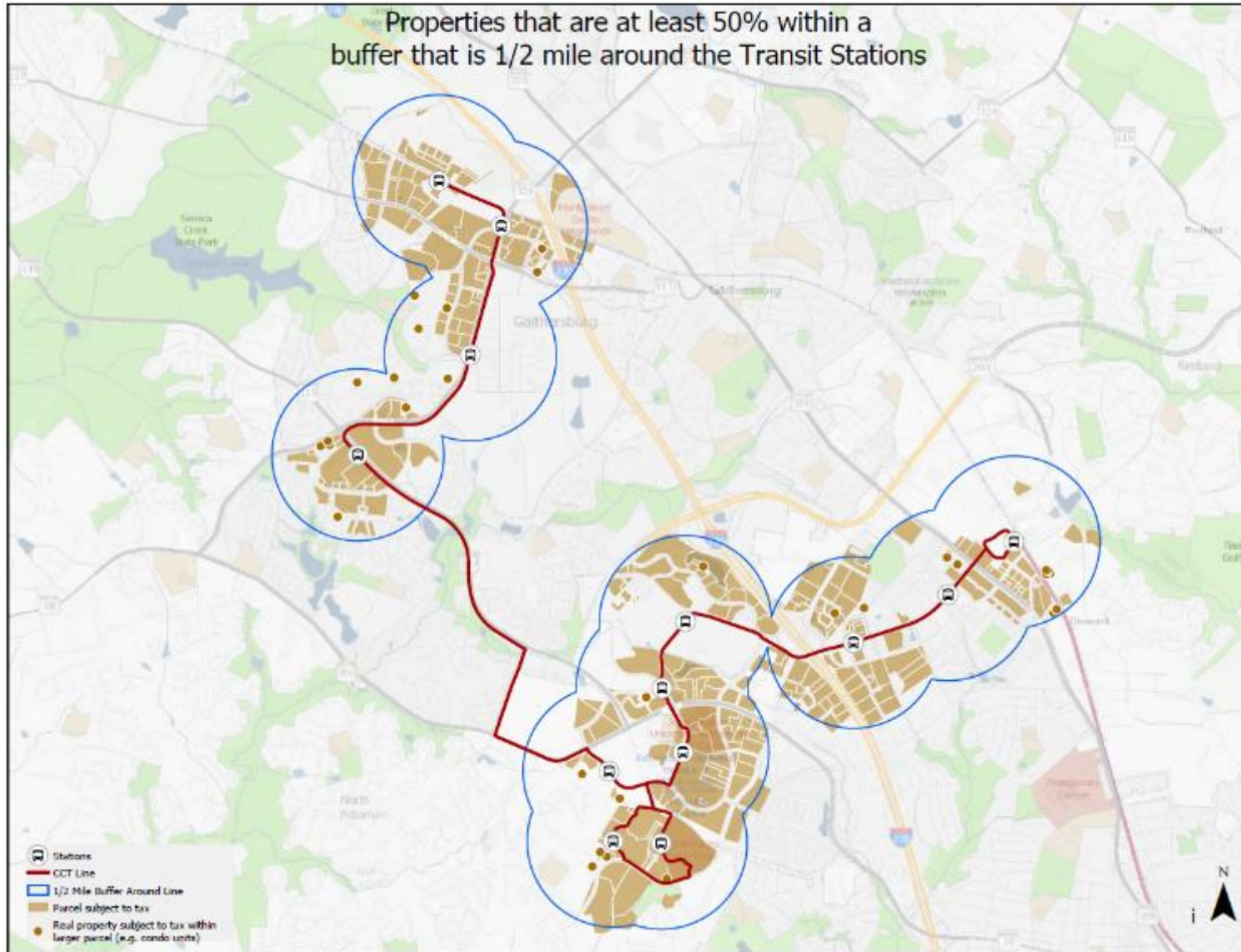


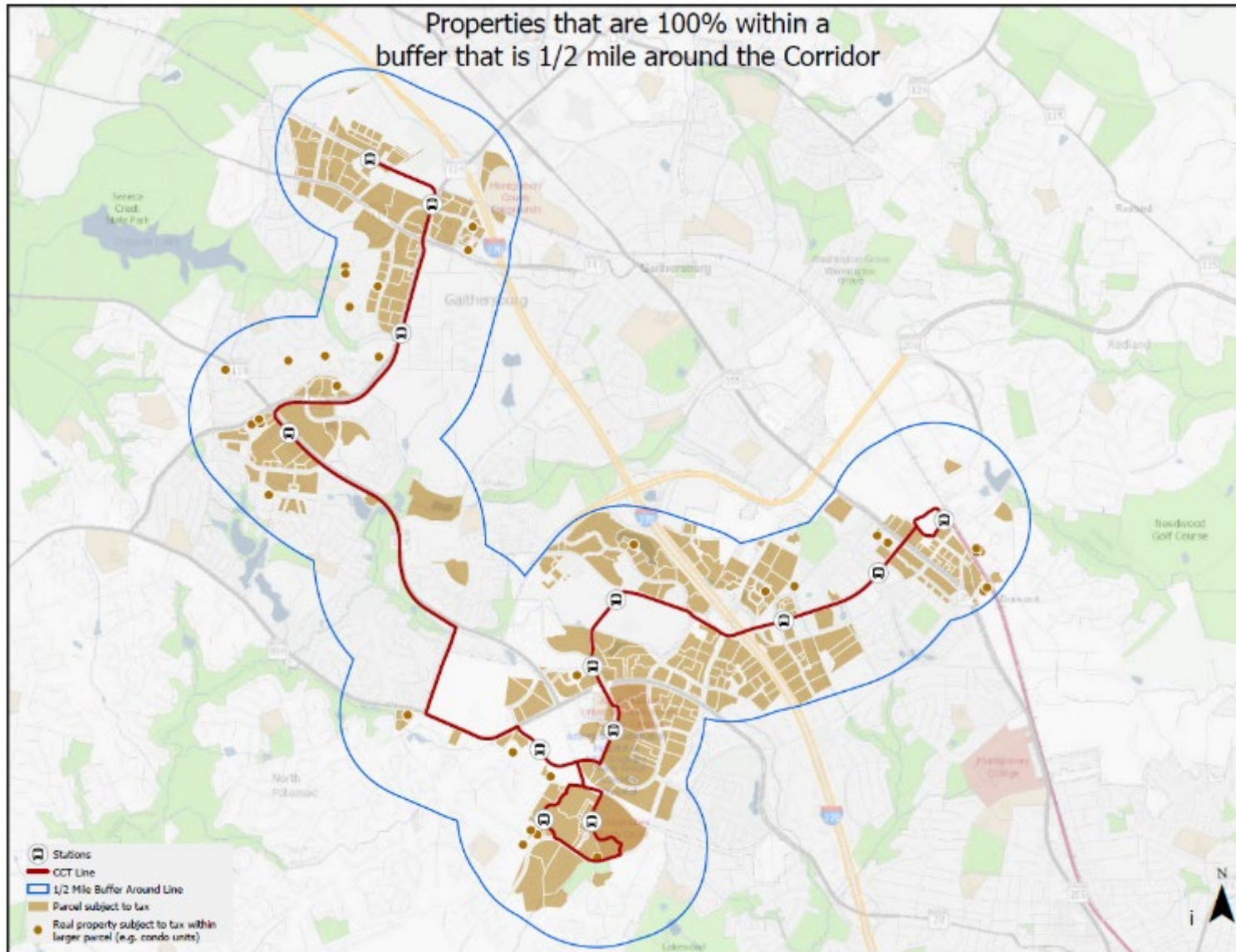


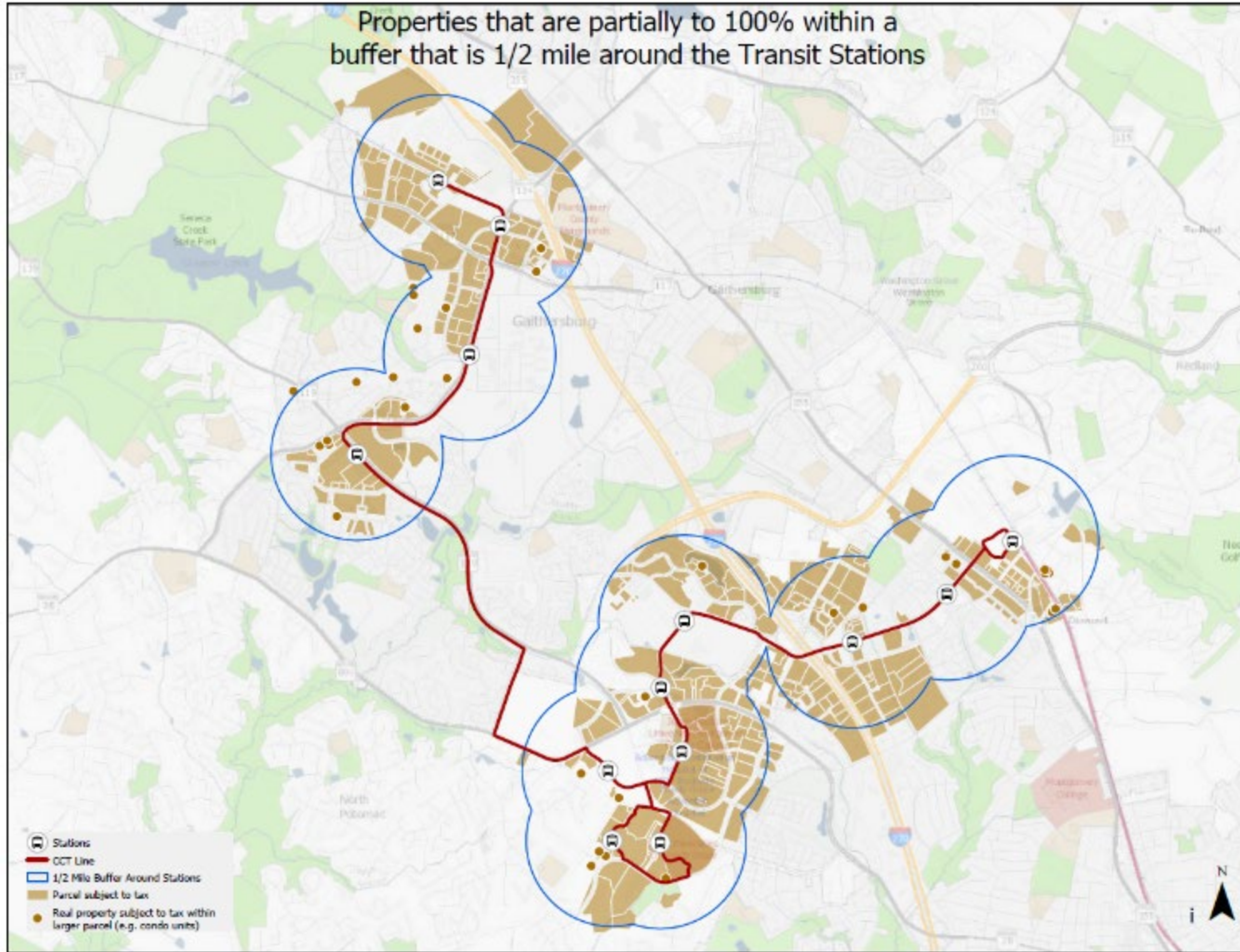


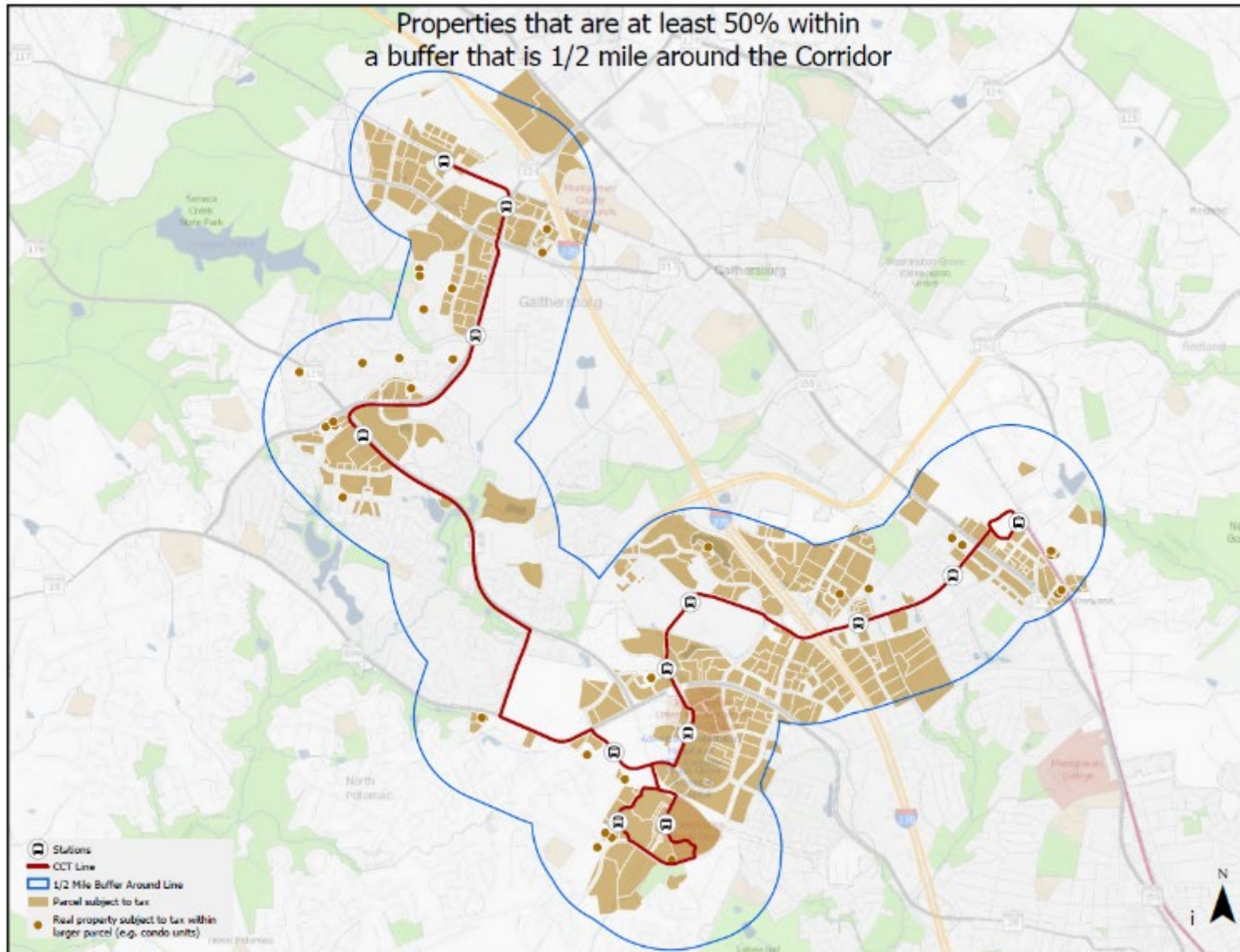


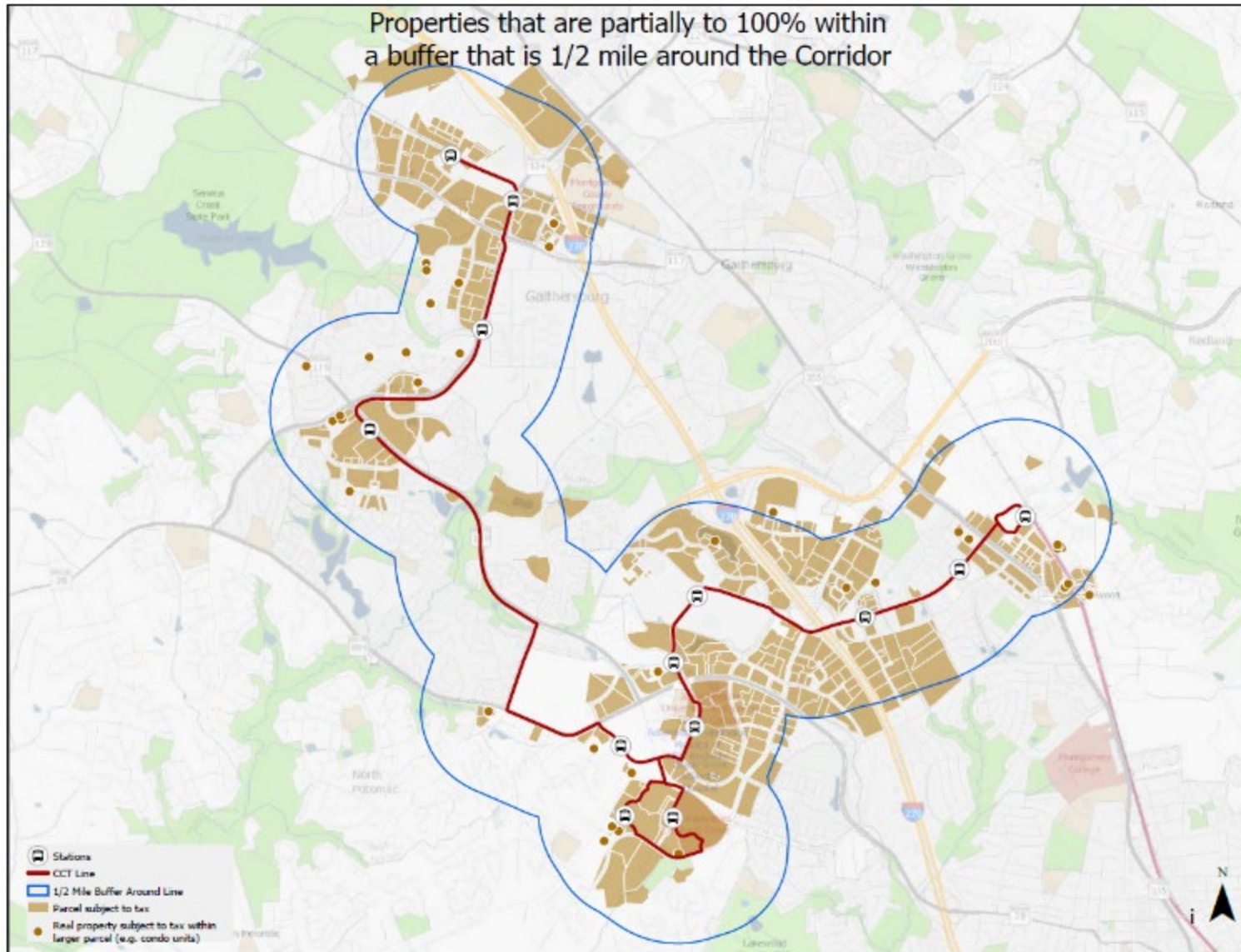












6.2 Appendix II – Alternative Tax District Special Tax Rates: Detailed Reports

**Corridor Cities Transitway (CCT) Special Purpose Tax District**  
 Revenue Potential and Financing Capacity Analysis  
*Four Alternative Special Tax Districts Under Consideration*

The table below represents four alternative special tax districts under consideration for the CCT Special Purpose Tax District. The alternatives are sorted by their estimated tax rates, which are in descending order from top to bottom and from left to right. The 'Final Year Rate' assumes the districts' assessed values increase over time allowing for a decrease in the special tax rates needed to meet the annual debt service requirements. Separate schedules listing projected annual assessed values and special tax rates for each alternative follow. See technical memo for full details on analysis and assumptions.

Special Tax Analysis										
Alternative Districts			# of Parcels Currently in Buffer	Total Current Assessed Value	Special tax rates* to raise \$100M (descending order left to right)					
Point of Reference	Distance for Buffer	Within Buffer Qualifier			Term Coupon Debt Service	20 5.50% \$8,367,933	20 4.00% \$7,358,175	30 5.50% \$6,880,539	30 4.00% \$5,783,010	
1	Corridor	Quarter mile	Partially to 100%	474	\$5,459,873,400	Year 1 Rate	\$0.1701	\$0.1496	\$0.1399	\$0.1176
						Final Year Rate	\$0.1014	\$0.0892	\$0.0635	\$0.0534
2	Corridor	Half mile	100%	703	\$6,559,763,800	Year 1 Rate	\$0.1416	\$0.1245	\$0.1164	\$0.0979
						Final Year Rate	\$0.0844	\$0.0742	\$0.0529	\$0.0445
3	Transit Stations	Half mile	Partially to 100%	712	\$7,081,662,100	Year 1 Rate	\$0.1312	\$0.1153	\$0.1078	\$0.0906
						Final Year Rate	\$0.0782	\$0.0688	\$0.0490	\$0.0412
4	Corridor	Half mile	Partially to 100%	782	\$7,537,832,900	Year 1 Rate	\$0.1232	\$0.1084	\$0.1013	\$0.0852
						Final Year Rate	\$0.0735	\$0.0646	\$0.0460	\$0.0387

Note: Tax rates are per \$100 of assessed value.

**Corridor Cities Transitway (CCT) Special Purpose Tax District**  
Revenue Potential and Financing Capacity Analysis  
*All Alternative Special Tax Districts Analyzed*

The table below represents all alternative special tax districts analyzed for the CCT Special Purpose Tax District. The alternatives are sorted by their estimated tax rates, which are in descending order from top to bottom and from left to right. The 'Final Year Rate' assumes the districts' assessed values increase over time allowing for a decrease in the special tax rates needed to meet the annual debt service requirements. Separate schedules listing projected annual assessed values and special tax rates for each alternative follow. See technical memo for full details on analysis and assumptions.

<b>Special Tax Analysis</b>						<b>Special tax rates* to raise \$100M</b> <i>(descending order left to right)</i>				
<b>Alternative Districts</b>			<b># of Parcels Currently in Buffer<sup>1</sup></b>	<b>Total Current Assessed Value</b>	<b>Term</b>	<b>20</b>	<b>20</b>	<b>30</b>	<b>30</b>	
<b>Point of Reference</b>	<b>Distance for Buffer</b>	<b>Within Buffer Qualifier</b>			<b>Coupon Debt Service</b>	<b>5.50%</b>	<b>4.00%</b>	<b>5.50%</b>	<b>4.00%</b>	
						<b>\$8,367,933</b>	<b>\$7,358,175</b>	<b>\$6,880,539</b>	<b>\$5,783,010</b>	
1	Transit Stations	Quarter mile	100%	158	\$1,274,951,500	Year 1 Rate	\$0.7285	\$0.6406	\$0.5990	\$0.5035
						Final Year Rate	\$0.4344	\$0.3820	\$0.2721	\$0.2287
2	Corridor	Quarter mile	100%	301	\$3,144,774,000	Year 1 Rate	\$0.2954	\$0.2597	\$0.2429	\$0.2041
						Final Year Rate	\$0.1761	\$0.1549	\$0.1103	\$0.0927
3	Transit Stations	Quarter mile	At least 50%	224	\$3,273,166,200	Year 1 Rate	\$0.2838	\$0.2495	\$0.2333	\$0.1961
						Final Year Rate	\$0.1692	\$0.1488	\$0.1060	\$0.0891
4	Transit Stations	Half mile	100%	298	\$3,991,407,800	Year 1 Rate	\$0.2327	\$0.2046	\$0.1913	\$0.1608
						Final Year Rate	\$0.1388	\$0.1220	\$0.0869	\$0.0731
5	Transit Stations	Quarter mile	Partially to 100%	300	\$4,068,508,200	Year 1 Rate	\$0.2283	\$0.2008	\$0.1877	\$0.1578
						Final Year Rate	\$0.1361	\$0.1197	\$0.0853	\$0.0717
6	Corridor	Quarter mile	At least 50%	354	\$4,562,227,500	Year 1 Rate	\$0.2036	\$0.1790	\$0.1674	\$0.1407
						Final Year Rate	\$0.1214	\$0.1068	\$0.0760	\$0.0639
7	Corridor	Quarter mile	Partially to 100%	474	\$5,459,873,400	Year 1 Rate	\$0.1701	\$0.1496	\$0.1399	\$0.1176
						Final Year Rate	\$0.1014	\$0.0892	\$0.0635	\$0.0534
8	Transit Stations	Half mile	At least 50%	641	\$6,517,098,700	Year 1 Rate	\$0.1425	\$0.1253	\$0.1172	\$0.0985
						Final Year Rate	\$0.0850	\$0.0747	\$0.0532	\$0.0447
9	Corridor	Half mile	100%	703	\$6,559,763,800	Year 1 Rate	\$0.1416	\$0.1245	\$0.1164	\$0.0979
						Final Year Rate	\$0.0844	\$0.0742	\$0.0529	\$0.0445
10	Transit Stations	Half mile	Partially to 100%	712	\$7,081,662,100	Year 1 Rate	\$0.1312	\$0.1153	\$0.1078	\$0.0906
						Final Year Rate	\$0.0782	\$0.0688	\$0.0490	\$0.0412
11	Corridor	Half mile	At least 50%	736	\$7,095,487,400	Year 1 Rate	\$0.1309	\$0.1151	\$0.1076	\$0.0905
						Final Year Rate	\$0.0781	\$0.0686	\$0.0489	\$0.0411
12	Corridor	Half mile	Partially to 100%	782	\$7,537,832,900	Year 1 Rate	\$0.1232	\$0.1084	\$0.1013	\$0.0852
						Final Year Rate	\$0.0735	\$0.0646	\$0.0460	\$0.0387

Note: Tax rates are per \$100 of assessed value.

**Corridor Cities Transitway (CCT) Financing Capacity Analysis  
Technical Memorandum**



**Corridor Cities Transitway (CCT) Special Purpose Tax District  
Revenue Potential and Financing Capacity Analysis**

*Properties that are 100% within a buffer that is 1/4 mile around the Transit Stations*

District Assumptions:	
Point of reference	Transit Stations
Distance for buffer	1/4 mile
Within qualifier	100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$1,274,951,500	\$0.7285	\$0.6406	\$0.5990	\$0.5035
2	\$1,310,121,158	\$0.7090	\$0.6234	\$0.5830	\$0.4900
3	\$1,346,260,974	\$0.6899	\$0.6067	\$0.5673	\$0.4768
4	\$1,383,397,710	\$0.6714	\$0.5904	\$0.5521	\$0.4640
5	\$1,421,558,867	\$0.6534	\$0.5746	\$0.5373	\$0.4516
6	\$1,460,772,703	\$0.6359	\$0.5591	\$0.5228	\$0.4394
7	\$1,501,068,256	\$0.6188	\$0.5441	\$0.5088	\$0.4276
8	\$1,542,475,366	\$0.6022	\$0.5295	\$0.4951	\$0.4162
9	\$1,585,024,695	\$0.5860	\$0.5153	\$0.4818	\$0.4050
10	\$1,628,747,752	\$0.5703	\$0.5015	\$0.4689	\$0.3941
11	\$1,673,676,912	\$0.5550	\$0.4880	\$0.4563	\$0.3835
12	\$1,719,845,449	\$0.5401	\$0.4749	\$0.4441	\$0.3732
13	\$1,767,287,548	\$0.5256	\$0.4622	\$0.4322	\$0.3632
14	\$1,816,038,342	\$0.5115	\$0.4497	\$0.4206	\$0.3535
15	\$1,866,133,932	\$0.4977	\$0.4377	\$0.4093	\$0.3440
16	\$1,917,611,413	\$0.4844	\$0.4259	\$0.3983	\$0.3347
17	\$1,970,508,905	\$0.4714	\$0.4145	\$0.3876	\$0.3258
18	\$2,024,865,580	\$0.4587	\$0.4034	\$0.3772	\$0.3170
19	\$2,080,721,689	\$0.4464	\$0.3925	\$0.3671	\$0.3085
20	\$2,138,118,594	\$0.4344	\$0.3820	\$0.3572	\$0.3002
21	\$2,197,098,797			\$0.3476	\$0.2922
22	\$2,257,705,976			\$0.3383	\$0.2843
23	\$2,319,985,009			\$0.3292	\$0.2767
24	\$2,383,982,015			\$0.3204	\$0.2693
25	\$2,449,744,384			\$0.3118	\$0.2620
26	\$2,517,320,815			\$0.3034	\$0.2550
27	\$2,586,761,348			\$0.2952	\$0.2482
28	\$2,658,117,405			\$0.2873	\$0.2415
29	\$2,731,441,825			\$0.2796	\$0.2350
30	\$2,806,788,906			\$0.2721	\$0.2287

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Special Purpose Tax District**

Revenue Potential and Financing Capacity Analysis

*Properties that are 100% within a buffer that is 1/4 mile around the Corridor*

District Assumptions:	
Point of reference	Corridor
Distance for buffer	1/4 mile
Within qualifier	100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$3,144,774,000	\$0.2954	\$0.2597	\$0.2429	\$0.2041
2	\$3,231,522,888	\$0.2874	\$0.2527	\$0.2363	\$0.1986
3	\$3,320,664,753	\$0.2797	\$0.2460	\$0.2300	\$0.1933
4	\$3,412,265,605	\$0.2722	\$0.2394	\$0.2238	\$0.1881
5	\$3,506,393,275	\$0.2649	\$0.2329	\$0.2178	\$0.1831
6	\$3,603,117,465	\$0.2578	\$0.2267	\$0.2120	\$0.1782
7	\$3,702,509,801	\$0.2509	\$0.2206	\$0.2063	\$0.1734
8	\$3,804,643,885	\$0.2441	\$0.2147	\$0.2007	\$0.1687
9	\$3,909,595,346	\$0.2376	\$0.2089	\$0.1954	\$0.1642
10	\$4,017,441,904	\$0.2312	\$0.2033	\$0.1901	\$0.1598
11	\$4,128,263,419	\$0.2250	\$0.1978	\$0.1850	\$0.1555
12	\$4,242,141,956	\$0.2190	\$0.1925	\$0.1800	\$0.1513
13	\$4,359,161,844	\$0.2131	\$0.1874	\$0.1752	\$0.1473
14	\$4,479,409,736	\$0.2074	\$0.1823	\$0.1705	\$0.1433
15	\$4,602,974,678	\$0.2018	\$0.1774	\$0.1659	\$0.1395
16	\$4,729,948,170	\$0.1964	\$0.1727	\$0.1615	\$0.1357
17	\$4,860,424,238	\$0.1911	\$0.1680	\$0.1571	\$0.1321
18	\$4,994,499,500	\$0.1860	\$0.1635	\$0.1529	\$0.1285
19	\$5,132,273,242	\$0.1810	\$0.1591	\$0.1488	\$0.1251
20	\$5,273,847,485	\$0.1761	\$0.1549	\$0.1448	\$0.1217
21	\$5,419,327,067			\$0.1409	\$0.1184
22	\$5,568,819,717			\$0.1371	\$0.1153
23	\$5,722,436,136			\$0.1335	\$0.1122
24	\$5,880,290,079			\$0.1299	\$0.1092
25	\$6,042,498,437			\$0.1264	\$0.1062
26	\$6,209,181,329			\$0.1230	\$0.1034
27	\$6,380,462,184			\$0.1197	\$0.1006
28	\$6,556,467,837			\$0.1165	\$0.0979
29	\$6,737,328,623			\$0.1134	\$0.0953
30	\$6,923,178,471			\$0.1103	\$0.0927

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Financing Capacity Analysis  
Technical Memorandum**



**Corridor Cities Transitway (CCT) Special Purpose Tax District**

Revenue Potential and Financing Capacity Analysis

*Properties that are at least 50% within a buffer that is 1/4 mile around the Transit Stations*

District Assumptions:	
Point of reference	Transit Stations
Distance for buffer	1/4 mile
Within qualifier	At least 50%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$3,273,166,200	\$0.2838	\$0.2495	\$0.2333	\$0.1961
2	\$3,363,456,799	\$0.2762	\$0.2428	\$0.2271	\$0.1908
3	\$3,456,238,074	\$0.2687	\$0.2363	\$0.2210	\$0.1857
4	\$3,551,578,728	\$0.2615	\$0.2300	\$0.2150	\$0.1807
5	\$3,649,549,364	\$0.2545	\$0.2238	\$0.2093	\$0.1759
6	\$3,750,222,528	\$0.2477	\$0.2178	\$0.2037	\$0.1712
7	\$3,853,672,772	\$0.2410	\$0.2119	\$0.1982	\$0.1666
8	\$3,959,976,700	\$0.2346	\$0.2063	\$0.1929	\$0.1621
9	\$4,069,213,032	\$0.2283	\$0.2007	\$0.1877	\$0.1577
10	\$4,181,462,659	\$0.2221	\$0.1953	\$0.1826	\$0.1535
11	\$4,296,808,702	\$0.2162	\$0.1901	\$0.1777	\$0.1494
12	\$4,415,336,577	\$0.2104	\$0.1850	\$0.1730	\$0.1454
13	\$4,537,134,054	\$0.2047	\$0.1800	\$0.1683	\$0.1415
14	\$4,662,291,326	\$0.1992	\$0.1752	\$0.1638	\$0.1377
15	\$4,790,901,074	\$0.1939	\$0.1705	\$0.1594	\$0.1340
16	\$4,923,058,534	\$0.1887	\$0.1659	\$0.1551	\$0.1304
17	\$5,058,861,569	\$0.1836	\$0.1615	\$0.1510	\$0.1269
18	\$5,198,410,745	\$0.1787	\$0.1571	\$0.1469	\$0.1235
19	\$5,341,809,397	\$0.1739	\$0.1529	\$0.1430	\$0.1202
20	\$5,489,163,715	\$0.1692	\$0.1488	\$0.1391	\$0.1169
21	\$5,640,582,816			\$0.1354	\$0.1138
22	\$5,796,178,827			\$0.1318	\$0.1107
23	\$5,956,066,968			\$0.1282	\$0.1078
24	\$6,120,365,639			\$0.1248	\$0.1049
25	\$6,289,196,505			\$0.1214	\$0.1021
26	\$6,462,684,586			\$0.1182	\$0.0993
27	\$6,640,958,352			\$0.1150	\$0.0967
28	\$6,824,149,816			\$0.1119	\$0.0941
29	\$7,012,394,635			\$0.1089	\$0.0915
30	\$7,205,832,205			\$0.1060	\$0.0891

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Special Purpose Tax District  
Revenue Potential and Financing Capacity Analysis**

*Properties that are 100% within a buffer that is 1/2 mile around the Transit Stations*

District Assumptions:	
Point of reference	Transit Stations
Distance for buffer	1/2 mile
Within qualifier	100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$3,991,407,800	\$0.2327	\$0.2046	\$0.1913	\$0.1608
2	\$4,101,511,162	\$0.2265	\$0.1991	\$0.1862	\$0.1565
3	\$4,214,651,736	\$0.2204	\$0.1938	\$0.1812	\$0.1523
4	\$4,330,913,303	\$0.2145	\$0.1886	\$0.1763	\$0.1482
5	\$4,450,381,956	\$0.2087	\$0.1835	\$0.1716	\$0.1442
6	\$4,573,146,164	\$0.2031	\$0.1786	\$0.1670	\$0.1404
7	\$4,699,296,834	\$0.1977	\$0.1738	\$0.1625	\$0.1366
8	\$4,828,927,382	\$0.1923	\$0.1691	\$0.1582	\$0.1329
9	\$4,962,133,800	\$0.1872	\$0.1646	\$0.1539	\$0.1294
10	\$5,099,014,731	\$0.1822	\$0.1602	\$0.1498	\$0.1259
11	\$5,239,671,535	\$0.1773	\$0.1559	\$0.1458	\$0.1225
12	\$5,384,208,370	\$0.1725	\$0.1517	\$0.1418	\$0.1192
13	\$5,532,732,268	\$0.1679	\$0.1476	\$0.1380	\$0.1160
14	\$5,685,353,211	\$0.1634	\$0.1437	\$0.1343	\$0.1129
15	\$5,842,184,218	\$0.1590	\$0.1398	\$0.1307	\$0.1099
16	\$6,003,341,422	\$0.1547	\$0.1361	\$0.1272	\$0.1069
17	\$6,168,944,164	\$0.1506	\$0.1324	\$0.1238	\$0.1041
18	\$6,339,115,073	\$0.1465	\$0.1288	\$0.1205	\$0.1013
19	\$6,513,980,162	\$0.1426	\$0.1254	\$0.1172	\$0.0985
20	\$6,693,668,921	\$0.1388	\$0.1220	\$0.1141	\$0.0959
21	\$6,878,314,412			\$0.1110	\$0.0933
22	\$7,068,053,366			\$0.1081	\$0.0908
23	\$7,263,026,287			\$0.1052	\$0.0884
24	\$7,463,377,555			\$0.1023	\$0.0860
25	\$7,669,255,531			\$0.0996	\$0.0837
26	\$7,880,812,671			\$0.0969	\$0.0815
27	\$8,098,205,635			\$0.0943	\$0.0793
28	\$8,321,595,404			\$0.0918	\$0.0771
29	\$8,551,147,401			\$0.0893	\$0.0751
30	\$8,787,031,611			\$0.0869	\$0.0731

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Financing Capacity Analysis  
Technical Memorandum**



**Corridor Cities Transitway (CCT) Special Purpose Tax District  
Revenue Potential and Financing Capacity Analysis**

*Properties that are partially to 100% within a buffer that is 1/4 mile around the Transit Stations*

District Assumptions:	
Point of reference	Transit Stations
Distance for buffer	1/4 mile
Within qualifier	Partially to 100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$4,068,508,200	\$0.2283	\$0.2008	\$0.1877	\$0.1578
2	\$4,180,738,384	\$0.2222	\$0.1954	\$0.1827	\$0.1535
3	\$4,296,064,448	\$0.2162	\$0.1901	\$0.1778	\$0.1494
4	\$4,414,571,792	\$0.2104	\$0.1850	\$0.1730	\$0.1454
5	\$4,536,348,173	\$0.2048	\$0.1800	\$0.1684	\$0.1415
6	\$4,661,483,767	\$0.1993	\$0.1752	\$0.1638	\$0.1377
7	\$4,790,071,238	\$0.1939	\$0.1705	\$0.1594	\$0.1340
8	\$4,922,205,806	\$0.1887	\$0.1659	\$0.1552	\$0.1304
9	\$5,057,985,320	\$0.1836	\$0.1615	\$0.1510	\$0.1269
10	\$5,197,510,323	\$0.1787	\$0.1571	\$0.1469	\$0.1235
11	\$5,340,884,138	\$0.1739	\$0.1529	\$0.1430	\$0.1202
12	\$5,488,212,932	\$0.1692	\$0.1488	\$0.1392	\$0.1170
13	\$5,639,605,805	\$0.1647	\$0.1448	\$0.1354	\$0.1138
14	\$5,795,174,865	\$0.1603	\$0.1409	\$0.1318	\$0.1108
15	\$5,955,035,313	\$0.1560	\$0.1372	\$0.1283	\$0.1078
16	\$6,119,305,525	\$0.1518	\$0.1335	\$0.1248	\$0.1049
17	\$6,288,107,148	\$0.1477	\$0.1299	\$0.1215	\$0.1021
18	\$6,461,565,178	\$0.1437	\$0.1264	\$0.1182	\$0.0993
19	\$6,639,808,066	\$0.1399	\$0.1230	\$0.1150	\$0.0967
20	\$6,822,967,800	\$0.1361	\$0.1197	\$0.1119	\$0.0941
21	\$7,011,180,012			\$0.1089	\$0.0916
22	\$7,204,584,077			\$0.1060	\$0.0891
23	\$7,403,323,210			\$0.1032	\$0.0867
24	\$7,607,544,582			\$0.1004	\$0.0844
25	\$7,817,399,419			\$0.0977	\$0.0821
26	\$8,033,043,122			\$0.0951	\$0.0799
27	\$8,254,635,377			\$0.0925	\$0.0778
28	\$8,482,340,275			\$0.0900	\$0.0757
29	\$8,716,326,435			\$0.0876	\$0.0736
30	\$8,956,767,125			\$0.0853	\$0.0717

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Special Purpose Tax District**  
Revenue Potential and Financing Capacity Analysis

*Properties that are at least 50% within a buffer that is 1/4 mile around the Corridor*

District Assumptions:	
Point of reference	Corridor
Distance for buffer	1/4 mile
Within qualifier	At least 50%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$4,562,227,500	\$0.2036	\$0.1790	\$0.1674	\$0.1407
2	\$4,688,076,977	\$0.1981	\$0.1742	\$0.1629	\$0.1369
3	\$4,817,398,025	\$0.1928	\$0.1695	\$0.1585	\$0.1332
4	\$4,950,286,405	\$0.1876	\$0.1650	\$0.1543	\$0.1297
5	\$5,086,840,524	\$0.1826	\$0.1606	\$0.1501	\$0.1262
6	\$5,227,161,502	\$0.1777	\$0.1563	\$0.1461	\$0.1228
7	\$5,371,353,246	\$0.1729	\$0.1521	\$0.1422	\$0.1195
8	\$5,519,522,534	\$0.1683	\$0.1480	\$0.1384	\$0.1163
9	\$5,671,779,086	\$0.1638	\$0.1440	\$0.1347	\$0.1132
10	\$5,828,235,649	\$0.1594	\$0.1401	\$0.1310	\$0.1101
11	\$5,989,008,081	\$0.1551	\$0.1364	\$0.1275	\$0.1072
12	\$6,154,215,436	\$0.1509	\$0.1327	\$0.1241	\$0.1043
13	\$6,323,980,051	\$0.1469	\$0.1292	\$0.1208	\$0.1015
14	\$6,498,427,639	\$0.1429	\$0.1257	\$0.1175	\$0.0988
15	\$6,677,687,381	\$0.1391	\$0.1223	\$0.1144	\$0.0961
16	\$6,861,892,019	\$0.1354	\$0.1190	\$0.1113	\$0.0935
17	\$7,051,177,960	\$0.1317	\$0.1158	\$0.1083	\$0.0910
18	\$7,245,685,372	\$0.1282	\$0.1127	\$0.1054	\$0.0886
19	\$7,445,558,289	\$0.1248	\$0.1097	\$0.1026	\$0.0862
20	\$7,650,944,719	\$0.1214	\$0.1068	\$0.0998	\$0.0839
21	\$7,861,996,753			\$0.0971	\$0.0816
22	\$8,078,870,678			\$0.0945	\$0.0795
23	\$8,301,727,090			\$0.0920	\$0.0773
24	\$8,530,731,018			\$0.0895	\$0.0752
25	\$8,766,052,041			\$0.0871	\$0.0732
26	\$9,007,864,416			\$0.0848	\$0.0713
27	\$9,256,347,209			\$0.0825	\$0.0693
28	\$9,511,684,423			\$0.0803	\$0.0675
29	\$9,774,065,138			\$0.0781	\$0.0657
30	\$10,043,683,650			\$0.0760	\$0.0639

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Financing Capacity Analysis  
Technical Memorandum**



**Corridor Cities Transitway (CCT) Special Purpose Tax District  
Revenue Potential and Financing Capacity Analysis**

*Properties that are partially to 100% within a buffer that is 1/4 mile around the Corridor*

District Assumptions:	
Point of reference	Corridor
Distance for buffer	1/4 mile
Within qualifier	Partially to 100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$5,459,873,400	\$0.1701	\$0.1496	\$0.1399	\$0.1176
2	\$5,610,484,525	\$0.1656	\$0.1456	\$0.1361	\$0.1144
3	\$5,765,250,271	\$0.1611	\$0.1417	\$0.1325	\$0.1113
4	\$5,924,285,246	\$0.1568	\$0.1379	\$0.1289	\$0.1084
5	\$6,087,707,215	\$0.1526	\$0.1342	\$0.1255	\$0.1054
6	\$6,255,637,195	\$0.1485	\$0.1306	\$0.1221	\$0.1026
7	\$6,428,199,539	\$0.1445	\$0.1271	\$0.1188	\$0.0999
8	\$6,605,522,032	\$0.1406	\$0.1236	\$0.1156	\$0.0972
9	\$6,787,735,982	\$0.1368	\$0.1203	\$0.1125	\$0.0946
10	\$6,974,976,322	\$0.1332	\$0.1171	\$0.1095	\$0.0920
11	\$7,167,381,704	\$0.1296	\$0.1140	\$0.1066	\$0.0896
12	\$7,365,094,607	\$0.1261	\$0.1109	\$0.1037	\$0.0872
13	\$7,568,261,439	\$0.1227	\$0.1079	\$0.1009	\$0.0848
14	\$7,777,032,647	\$0.1194	\$0.1050	\$0.0982	\$0.0825
15	\$7,991,562,829	\$0.1162	\$0.1022	\$0.0956	\$0.0803
16	\$8,212,010,846	\$0.1131	\$0.0995	\$0.0930	\$0.0782
17	\$8,438,539,942	\$0.1101	\$0.0968	\$0.0905	\$0.0761
18	\$8,671,317,865	\$0.1071	\$0.0942	\$0.0881	\$0.0740
19	\$8,910,516,990	\$0.1042	\$0.0917	\$0.0857	\$0.0720
20	\$9,156,314,444	\$0.1014	\$0.0892	\$0.0834	\$0.0701
21	\$9,408,892,245			\$0.0812	\$0.0682
22	\$9,668,437,428			\$0.0790	\$0.0664
23	\$9,935,142,190			\$0.0769	\$0.0646
24	\$10,209,204,028			\$0.0748	\$0.0629
25	\$10,490,825,887			\$0.0728	\$0.0612
26	\$10,780,216,312			\$0.0708	\$0.0595
27	\$11,077,589,600			\$0.0689	\$0.0579
28	\$11,383,165,957			\$0.0671	\$0.0564
29	\$11,697,171,668			\$0.0653	\$0.0549
30	\$12,019,839,256			\$0.0635	\$0.0534

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Special Purpose Tax District**  
Revenue Potential and Financing Capacity Analysis

*Properties that are at least 50% within a buffer that is 1/2 mile around the Transit Stations*

District Assumptions:	
Point of reference	Transit Stations
Distance for buffer	1/2 mile
Within qualifier	At least 50%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$6,517,098,700	\$0.1425	\$0.1253	\$0.1172	\$0.0985
2	\$6,696,873,485	\$0.1387	\$0.1220	\$0.1140	\$0.0959
3	\$6,881,607,374	\$0.1350	\$0.1187	\$0.1110	\$0.0933
4	\$7,071,437,164	\$0.1314	\$0.1155	\$0.1080	\$0.0908
5	\$7,266,503,428	\$0.1278	\$0.1124	\$0.1051	\$0.0883
6	\$7,466,950,613	\$0.1244	\$0.1094	\$0.1023	\$0.0860
7	\$7,672,927,152	\$0.1211	\$0.1064	\$0.0995	\$0.0837
8	\$7,884,585,574	\$0.1178	\$0.1036	\$0.0969	\$0.0814
9	\$8,102,082,614	\$0.1146	\$0.1008	\$0.0943	\$0.0792
10	\$8,325,579,329	\$0.1116	\$0.0981	\$0.0917	\$0.0771
11	\$8,555,241,223	\$0.1086	\$0.0955	\$0.0893	\$0.0750
12	\$8,791,238,362	\$0.1057	\$0.0929	\$0.0869	\$0.0730
13	\$9,033,745,505	\$0.1028	\$0.0904	\$0.0845	\$0.0711
14	\$9,282,942,230	\$0.1001	\$0.0880	\$0.0823	\$0.0691
15	\$9,539,013,070	\$0.0974	\$0.0856	\$0.0801	\$0.0673
16	\$9,802,147,648	\$0.0948	\$0.0833	\$0.0779	\$0.0655
17	\$10,072,540,819	\$0.0922	\$0.0811	\$0.0758	\$0.0637
18	\$10,350,392,811	\$0.0897	\$0.0789	\$0.0738	\$0.0620
19	\$10,635,909,376	\$0.0873	\$0.0768	\$0.0718	\$0.0604
20	\$10,929,301,943	\$0.0850	\$0.0747	\$0.0699	\$0.0587
21	\$11,230,787,772			\$0.0680	\$0.0572
22	\$11,540,590,116			\$0.0662	\$0.0556
23	\$11,858,938,387			\$0.0644	\$0.0541
24	\$12,186,068,325			\$0.0627	\$0.0527
25	\$12,522,222,173			\$0.0610	\$0.0513
26	\$12,867,648,857			\$0.0594	\$0.0499
27	\$13,222,604,169			\$0.0578	\$0.0485
28	\$13,587,350,956			\$0.0562	\$0.0472
29	\$13,962,159,319			\$0.0547	\$0.0460
30	\$14,347,306,805			\$0.0532	\$0.0447

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Financing Capacity Analysis  
Technical Memorandum**



**Corridor Cities Transitway (CCT) Special Purpose Tax District  
Revenue Potential and Financing Capacity Analysis**

*Properties that are 100% within a buffer that is 1/2 mile around the Corridor*

District Assumptions:	
Point of reference	Corridor
Distance for buffer	1/2 mile
Within qualifier	100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$6,559,763,800	\$0.1416	\$0.1245	\$0.1164	\$0.0979
2	\$6,740,715,505	\$0.1378	\$0.1212	\$0.1133	\$0.0952
3	\$6,926,658,781	\$0.1341	\$0.1179	\$0.1103	\$0.0927
4	\$7,117,731,319	\$0.1305	\$0.1147	\$0.1073	\$0.0902
5	\$7,314,074,611	\$0.1270	\$0.1117	\$0.1044	\$0.0878
6	\$7,515,834,052	\$0.1236	\$0.1087	\$0.1016	\$0.0854
7	\$7,723,159,045	\$0.1203	\$0.1058	\$0.0989	\$0.0831
8	\$7,936,203,119	\$0.1170	\$0.1029	\$0.0962	\$0.0809
9	\$8,155,124,033	\$0.1139	\$0.1002	\$0.0937	\$0.0787
10	\$8,380,083,901	\$0.1108	\$0.0975	\$0.0911	\$0.0766
11	\$8,611,249,309	\$0.1079	\$0.0948	\$0.0887	\$0.0745
12	\$8,848,791,436	\$0.1050	\$0.0923	\$0.0863	\$0.0725
13	\$9,092,886,186	\$0.1022	\$0.0898	\$0.0840	\$0.0706
14	\$9,343,714,312	\$0.0994	\$0.0874	\$0.0817	\$0.0687
15	\$9,601,461,556	\$0.0967	\$0.0851	\$0.0795	\$0.0669
16	\$9,866,318,782	\$0.0941	\$0.0828	\$0.0774	\$0.0651
17	\$10,138,482,119	\$0.0916	\$0.0806	\$0.0753	\$0.0633
18	\$10,418,153,108	\$0.0892	\$0.0784	\$0.0733	\$0.0616
19	\$10,705,538,848	\$0.0868	\$0.0763	\$0.0713	\$0.0600
20	\$11,000,852,150	\$0.0844	\$0.0742	\$0.0694	\$0.0584
21	\$11,304,311,698			\$0.0676	\$0.0568
22	\$11,616,142,206			\$0.0657	\$0.0553
23	\$11,936,574,589			\$0.0640	\$0.0538
24	\$12,265,846,129			\$0.0623	\$0.0523
25	\$12,604,200,655			\$0.0606	\$0.0509
26	\$12,951,888,723			\$0.0590	\$0.0496
27	\$13,309,167,800			\$0.0574	\$0.0482
28	\$13,676,302,454			\$0.0558	\$0.0469
29	\$14,053,564,551			\$0.0543	\$0.0457
30	\$14,441,233,460			\$0.0529	\$0.0445

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Special Purpose Tax District**  
Revenue Potential and Financing Capacity Analysis

*Properties that are partially to 100% within a buffer that is 1/2 mile around the Transit Stations*

District Assumptions:	
Point of reference	Transit Stations
Distance for buffer	1/2 mile
Within qualifier	Partially to 100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$7,081,662,100	\$0.1312	\$0.1153	\$0.1078	\$0.0906
2	\$7,277,010,419	\$0.1276	\$0.1122	\$0.1050	\$0.0882
3	\$7,477,747,441	\$0.1242	\$0.1092	\$0.1021	\$0.0858
4	\$7,684,021,812	\$0.1209	\$0.1063	\$0.0994	\$0.0835
5	\$7,895,986,281	\$0.1176	\$0.1034	\$0.0967	\$0.0813
6	\$8,113,797,810	\$0.1145	\$0.1007	\$0.0941	\$0.0791
7	\$8,337,617,690	\$0.1114	\$0.0980	\$0.0916	\$0.0770
8	\$8,567,611,664	\$0.1084	\$0.0953	\$0.0891	\$0.0749
9	\$8,803,950,042	\$0.1055	\$0.0928	\$0.0867	\$0.0729
10	\$9,046,807,838	\$0.1027	\$0.0903	\$0.0844	\$0.0710
11	\$9,296,364,888	\$0.0999	\$0.0879	\$0.0822	\$0.0691
12	\$9,552,805,994	\$0.0972	\$0.0855	\$0.0799	\$0.0672
13	\$9,816,321,051	\$0.0946	\$0.0832	\$0.0778	\$0.0654
14	\$10,087,105,197	\$0.0921	\$0.0810	\$0.0757	\$0.0636
15	\$10,365,358,948	\$0.0896	\$0.0788	\$0.0737	\$0.0619
16	\$10,651,288,356	\$0.0872	\$0.0767	\$0.0717	\$0.0603
17	\$10,945,105,154	\$0.0849	\$0.0746	\$0.0698	\$0.0586
18	\$11,247,026,915	\$0.0826	\$0.0726	\$0.0679	\$0.0571
19	\$11,557,277,218	\$0.0804	\$0.0707	\$0.0661	\$0.0555
20	\$11,876,085,804	\$0.0782	\$0.0688	\$0.0643	\$0.0541
21	\$12,203,688,755			\$0.0626	\$0.0526
22	\$12,540,328,664			\$0.0609	\$0.0512
23	\$12,886,254,817			\$0.0593	\$0.0498
24	\$13,241,723,376			\$0.0577	\$0.0485
25	\$13,606,997,569			\$0.0561	\$0.0472
26	\$13,982,347,885			\$0.0546	\$0.0459
27	\$14,368,052,275			\$0.0532	\$0.0447
28	\$14,764,396,357			\$0.0517	\$0.0435
29	\$15,171,673,628			\$0.0503	\$0.0423
30	\$15,590,185,682			\$0.0490	\$0.0412

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Financing Capacity Analysis  
Technical Memorandum**



**Corridor Cities Transitway (CCT) Special Purpose Tax District  
Revenue Potential and Financing Capacity Analysis**

*Properties that are at least 50% within a buffer that is 1/2 mile around the Corridor*

District Assumptions:	
Point of reference	Corridor
Distance for buffer	1/2 mile
Within qualifier	At least 50%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$7,095,487,400	\$0.1309	\$0.1151	\$0.1076	\$0.0905
2	\$7,291,217,092	\$0.1274	\$0.1120	\$0.1047	\$0.0880
3	\$7,492,346,005	\$0.1240	\$0.1090	\$0.1019	\$0.0857
4	\$7,699,023,079	\$0.1206	\$0.1061	\$0.0992	\$0.0834
5	\$7,911,401,359	\$0.1174	\$0.1032	\$0.0965	\$0.0811
6	\$8,129,638,115	\$0.1143	\$0.1005	\$0.0939	\$0.0790
7	\$8,353,894,952	\$0.1112	\$0.0978	\$0.0914	\$0.0768
8	\$8,584,337,935	\$0.1082	\$0.0951	\$0.0890	\$0.0748
9	\$8,821,137,709	\$0.1053	\$0.0926	\$0.0866	\$0.0728
10	\$9,064,469,628	\$0.1025	\$0.0901	\$0.0843	\$0.0708
11	\$9,314,513,881	\$0.0997	\$0.0877	\$0.0820	\$0.0689
12	\$9,571,455,628	\$0.0970	\$0.0853	\$0.0798	\$0.0671
13	\$9,835,485,138	\$0.0944	\$0.0830	\$0.0777	\$0.0653
14	\$10,106,797,926	\$0.0919	\$0.0808	\$0.0756	\$0.0635
15	\$10,385,594,904	\$0.0894	\$0.0786	\$0.0735	\$0.0618
16	\$10,672,082,522	\$0.0870	\$0.0765	\$0.0716	\$0.0601
17	\$10,966,472,929	\$0.0847	\$0.0745	\$0.0696	\$0.0585
18	\$11,268,984,123	\$0.0824	\$0.0725	\$0.0678	\$0.0570
19	\$11,579,840,116	\$0.0802	\$0.0705	\$0.0660	\$0.0554
20	\$11,899,271,102	\$0.0781	\$0.0686	\$0.0642	\$0.0539
21	\$12,227,513,622			\$0.0625	\$0.0525
22	\$12,564,810,742			\$0.0608	\$0.0511
23	\$12,911,412,236			\$0.0592	\$0.0497
24	\$13,267,574,765			\$0.0576	\$0.0484
25	\$13,633,562,071			\$0.0560	\$0.0471
26	\$14,009,645,171			\$0.0545	\$0.0458
27	\$14,396,102,559			\$0.0531	\$0.0446
28	\$14,793,220,411			\$0.0516	\$0.0434
29	\$15,201,292,796			\$0.0502	\$0.0422
30	\$15,620,621,897			\$0.0489	\$0.0411

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

**Corridor Cities Transitway (CCT) Special Purpose Tax District**

Revenue Potential and Financing Capacity Analysis

*Properties that are partially to 100% within a buffer that is 1/2 mile around the Corridor*

District Assumptions:	
Point of reference	Corridor
Distance for buffer	1/2 mile
Within qualifier	Partially to 100%

Growth in Assessed Values*:	
Annualized rate	2.7585%

Debt Service Coverage Required:	
Ratio	1.11

Bond Assumptions:				
Principal	\$100,000,000	\$100,000,000	\$100,000,000	\$100,000,000
Term	20	20	30	30
Coupon	5.50%	4.00%	5.50%	4.00%
Annual Debt Service	\$8,367,933	\$7,358,175	\$6,880,539	\$5,783,010

Year	Assessed Value	Special Tax Rate	Special Tax Rate	Special Tax Rate	Special Tax Rate
1	\$7,537,832,900	\$0.1232	\$0.1084	\$0.1013	\$0.0852
2	\$7,745,764,734	\$0.1199	\$0.1054	\$0.0986	\$0.0829
3	\$7,959,432,387	\$0.1167	\$0.1026	\$0.0960	\$0.0806
4	\$8,178,994,083	\$0.1136	\$0.0999	\$0.0934	\$0.0785
5	\$8,404,612,409	\$0.1105	\$0.0972	\$0.0909	\$0.0764
6	\$8,636,454,438	\$0.1075	\$0.0946	\$0.0884	\$0.0743
7	\$8,874,691,851	\$0.1047	\$0.0920	\$0.0861	\$0.0723
8	\$9,119,501,066	\$0.1019	\$0.0896	\$0.0837	\$0.0704
9	\$9,371,063,366	\$0.0991	\$0.0872	\$0.0815	\$0.0685
10	\$9,629,565,036	\$0.0965	\$0.0848	\$0.0793	\$0.0667
11	\$9,895,197,500	\$0.0939	\$0.0825	\$0.0772	\$0.0649
12	\$10,168,157,459	\$0.0913	\$0.0803	\$0.0751	\$0.0631
13	\$10,448,647,045	\$0.0889	\$0.0782	\$0.0731	\$0.0614
14	\$10,736,873,963	\$0.0865	\$0.0761	\$0.0711	\$0.0598
15	\$11,033,051,648	\$0.0842	\$0.0740	\$0.0692	\$0.0582
16	\$11,337,399,422	\$0.0819	\$0.0720	\$0.0674	\$0.0566
17	\$11,650,142,658	\$0.0797	\$0.0701	\$0.0656	\$0.0551
18	\$11,971,512,946	\$0.0776	\$0.0682	\$0.0638	\$0.0536
19	\$12,301,748,264	\$0.0755	\$0.0664	\$0.0621	\$0.0522
20	\$12,641,093,154	\$0.0735	\$0.0646	\$0.0604	\$0.0508
21	\$12,989,798,906			\$0.0588	\$0.0494
22	\$13,348,123,738			\$0.0572	\$0.0481
23	\$13,716,332,995			\$0.0557	\$0.0468
24	\$14,094,699,339			\$0.0542	\$0.0455
25	\$14,483,502,954			\$0.0527	\$0.0443
26	\$14,883,031,754			\$0.0513	\$0.0431
27	\$15,293,581,594			\$0.0499	\$0.0420
28	\$15,715,456,490			\$0.0486	\$0.0408
29	\$16,148,968,845			\$0.0473	\$0.0397
30	\$16,594,439,679			\$0.0460	\$0.0387

\* If future growth is to be assumed, then special tax rates will be adjusted to account for annual increases in assessed values while maintaining the debt service coverage requirement. If no future growth is to be assumed, then the Year 1 special tax rate will continue throughout the term of the bond.

Note: Tax rates are per \$100 of assessed value. See technical memo for full details on analysis and assumptions.

6.3 Appendix III – Assessed Values of Commercial Property in Montgomery County FY2008-17

**Montgomery County**

*Assessed Value of Taxable Property*

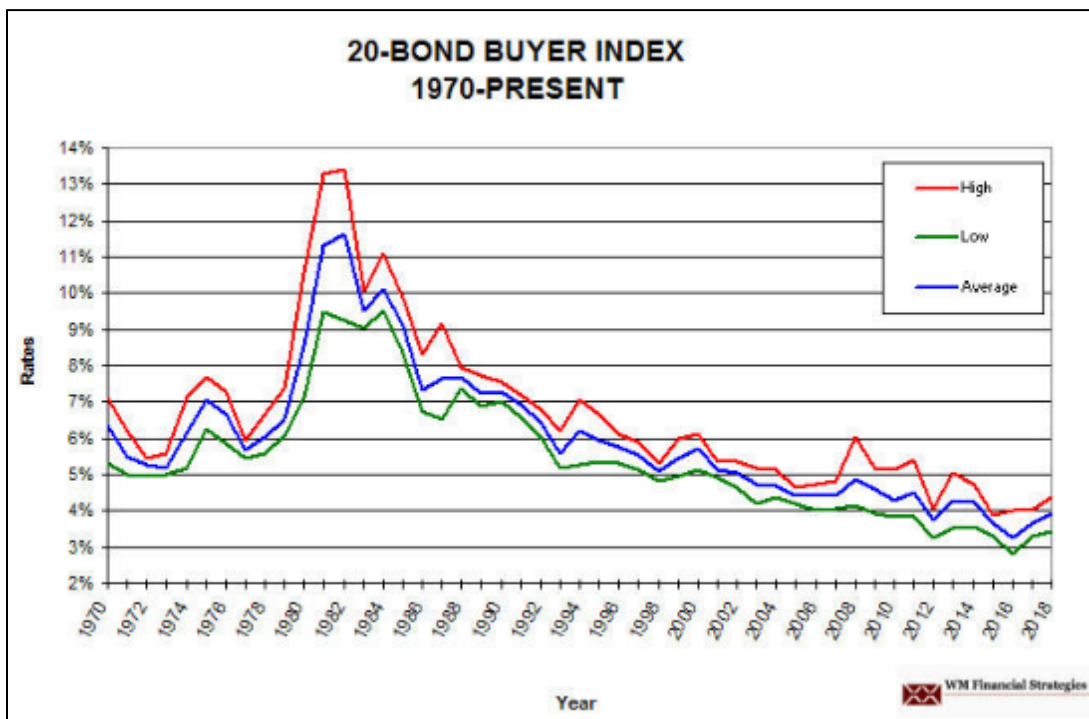
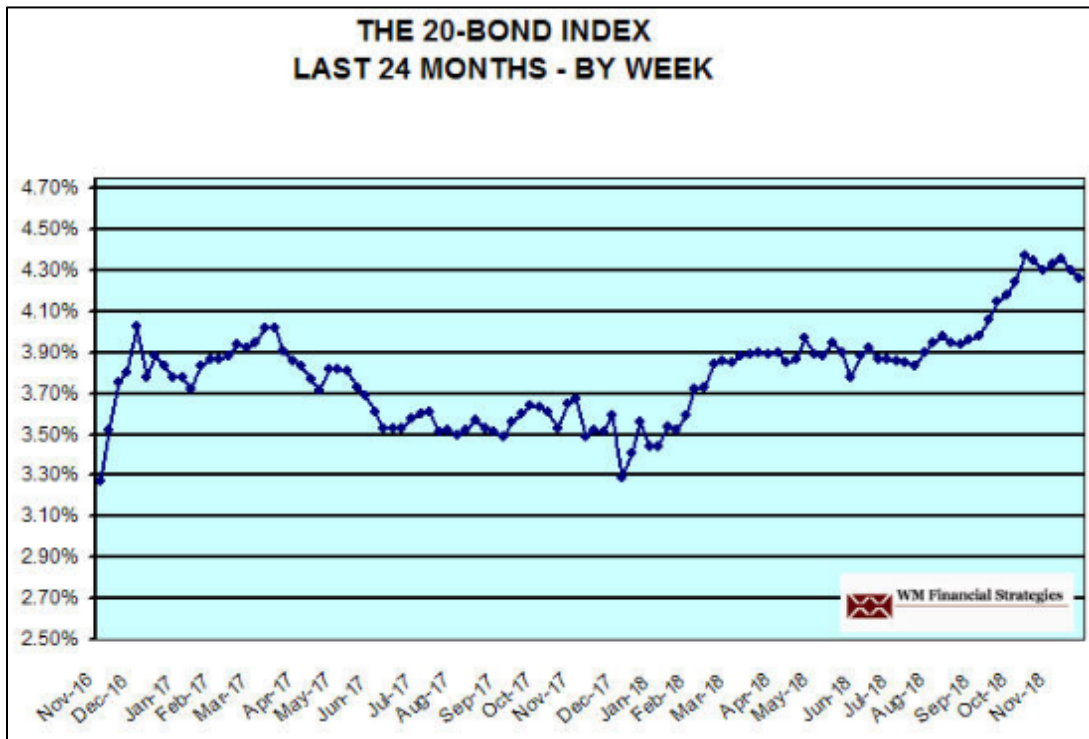
FY 2008 to FY 2017

<u>Fiscal Year</u>	<u>Commercial/Other Properties</u>
<b>HISTORICAL AMOUNTS</b>	
2008	\$32,303,514,880
2009	\$34,814,939,022
2010	\$35,947,649,976
2011	\$36,011,884,254
2012	\$32,683,331,619
2013	\$33,489,446,285
2014	\$34,855,968,247
2015	\$35,726,782,876
2016	\$39,947,771,504
2017	\$41,267,669,577
<b>HISTORICAL GROWTH</b>	
2009	8%
2010	3%
2011	0%
2012	-9%
2013	2%
2014	4%
2015	2%
2016	12%
2017	3%
Overall Growth Rate	27.75%
<b>Annualized Growth Rate</b>	<b>2.7585%</b>

Source: Montgomery County, MD. (2017). Comprehensive Annual Financial Report.

[https://www.montgomerycountymd.gov/finance/resources/files/data/financial/cafr/FY2017\\_CAFR.PDF](https://www.montgomerycountymd.gov/finance/resources/files/data/financial/cafr/FY2017_CAFR.PDF)

6.4 Appendix IV – Historical 20-Bond Index Rates



Source: WM Financial Strategies. Rates Over Time - Interest Rate Trends. Retrieved on November 26, 2018 from <http://www.munibondadvisor.com/market.htm>