

Current Agreement vs Oct 2 Proposal Under HIGH Scenario

Proposal Summary: Cog pays City \$500,000 in 2018 and 2019 and \$250,000 in 2020. City waives use tax and rebates excise tax if it exceeds "Base Excise Tax" but with 3.8% minimum tax in years 26-50, and in all years revenue from ticket sales over 375,000 is taxed at full 5.0%.

Scenario Summary: "High": 3.7% increase in ticket prices from \$28 to \$150 over 50 years, with ridership increasing to 400,000 in year 15 and 450,000 in year 26.

| Green cells contain variable factors | | | CURRENT AGREEMENT | | | | | | | | | | Oct 2 PROPOSAL | | | |
|--------------------------------------|--------|---------------|------------------------------|----------------------|--------------|----------------|--|-----------------------------|----------------------|----------------------|---|--------------------------|--|-------------------|-------------------------------|------------------------------|
| Initial Project Cost: | | \$ 95,000,000 | Max AVERAGE Ticket Price: | | \$ 150.00 | | NPV of Rebates | | NPV of Taxes | | NPV of Taxes | | NPV of Tax Savings | | | |
| Yr 15 Car Cost: | | \$ 20,000,000 | Annual Increase Rate: | | 3.70% | | \$15,888,609 | | \$14,332,739 | | \$26,464,181 | | \$3,757,167 | | | |
| Discount Rate(2): | | 3.0% | Max Ticket Sales: | | 450,000 | | | | | | | | | | | |
| | | | Annual Ridership Increase: | | 2.50% | | | | | | Change (Current Vs PROPOSAL): | | \$ 12,131,441 | (\$12,131,441) | | |
| Year | Year # | Increase | Base Excise Tax (or Payment) | Average Ticket Price | Ticket Sales | Ticket Revenue | Net Project Revenue (not including any operating cost) | Total Excise Tax Revenue(1) | Annual Rebate Amount | Net Tax After Rebate | Effective Tax Rate With No Maximum Rebate | Minimum Tax % (PROPOSAL) | Tax on Revenue from Ticket Sales Exceeding 375,000 | Tax \$ (PROPOSAL) | Annual Tax Savings (PROPOSAL) | Change in Net Tax (PROPOSAL) |
| 2018 | 1 | 0.0% | \$ 500,000 | \$ - | - | - | \$ (500,000) | \$ - | \$ (500,000) | \$ 500,000 | | | \$ 500,000 | \$ (500,000) | \$ - | |
| 2019 | 2 | 0.0% | \$ 500,000 | \$ - | - | - | \$ (96,000,000) | \$ - | \$ (500,000) | \$ 500,000 | | | \$ 500,000 | \$ (500,000) | \$ - | |
| 2020 | 3 | 0.0% | \$ 250,000 | \$ 28.00 | - | - | \$ (96,000,000) | \$ - | \$ (250,000) | \$ 250,000 | | | \$ 250,000 | \$ (250,000) | \$ - | |
| 2021 | 4 | 1.5% | \$ 507,500 | \$ 29.04 | 300,000 | \$ 8,710,800 | \$ (87,289,200) | \$ 435,540 | \$ - | \$ 435,540 | 5.0% | NA | \$ - | \$ 435,540 | \$ - | \$ - |
| 2022 | 5 | 0.0% | \$ 507,500 | \$ 30.11 | 350,000 | \$ 10,538,616 | \$ (76,750,584) | \$ 526,931 | \$ 19,431 | \$ 507,500 | 4.8% | NA | \$ - | \$ 507,500 | \$ 19,431 | \$ - |
| 2023 | 6 | 0.0% | \$ 507,500 | \$ 31.22 | 350,000 | \$ 10,928,545 | \$ (65,822,039) | \$ 546,427 | \$ 38,927 | \$ 507,500 | 4.6% | NA | \$ - | \$ 507,500 | \$ 38,927 | \$ - |
| 2024 | 7 | 0.0% | \$ 507,500 | \$ 32.38 | 358,750 | \$ 11,616,224 | \$ (54,205,815) | \$ 580,811 | \$ 73,311 | \$ 507,500 | 4.4% | NA | \$ - | \$ 507,500 | \$ 73,311 | \$ - |
| 2025 | 8 | 1.5% | \$ 515,113 | \$ 33.58 | 358,750 | \$ 12,046,024 | \$ (42,159,791) | \$ 602,301 | \$ 87,189 | \$ 515,113 | 4.3% | NA | \$ - | \$ 515,113 | \$ 87,189 | \$ - |
| 2026 | 9 | 0.0% | \$ 515,113 | \$ 34.82 | 367,719 | \$ 12,804,020 | \$ (29,355,771) | \$ 640,201 | \$ 125,089 | \$ 515,113 | 4.0% | NA | \$ - | \$ 515,113 | \$ 125,089 | \$ - |
| 2027 | 10 | 0.0% | \$ 515,113 | \$ 36.11 | 367,719 | \$ 13,277,769 | \$ (16,078,002) | \$ 663,888 | \$ 148,776 | \$ 515,113 | 3.9% | NA | \$ - | \$ 515,113 | \$ 148,776 | \$ - |
| 2028 | 11 | 0.0% | \$ 515,113 | \$ 37.44 | 376,912 | \$ 14,113,272 | \$ (1,964,730) | \$ 705,664 | \$ 190,551 | \$ 515,113 | 3.6% | NA | \$ 3,579 | \$ 518,692 | \$ 186,972 | \$ 3,579 |
| 2029 | 12 | 2.5% | \$ 527,990 | \$ 38.83 | 376,912 | \$ 14,635,463 | \$ 12,670,733 | \$ 731,773 | \$ 203,783 | \$ 527,990 | 3.6% | NA | \$ 3,712 | \$ 531,702 | \$ 200,071 | \$ 3,712 |
| 2030 | 13 | 0.0% | \$ 527,990 | \$ 40.27 | 386,335 | \$ 15,556,400 | \$ 28,227,133 | \$ 777,820 | \$ 249,830 | \$ 527,990 | 3.4% | NA | \$ 22,820 | \$ 550,810 | \$ 227,010 | \$ 22,820 |
| 2031 | 14 | 0.0% | \$ 527,990 | \$ 41.76 | 386,335 | \$ 16,131,987 | \$ 44,359,120 | \$ 806,599 | \$ 278,609 | \$ 527,990 | 3.3% | NA | \$ 23,664 | \$ 551,655 | \$ 254,945 | \$ 23,664 |
| 2032 | 15 | 0.0% | \$ 527,990 | \$ 43.30 | 395,993 | \$ 17,147,092 | \$ 21,506,212 | \$ 857,355 | \$ 329,364 | \$ 527,990 | 3.1% | NA | \$ 45,451 | \$ 573,441 | \$ 283,913 | \$ 45,451 |
| 2033 | 16 | 1.5% | \$ 535,910 | \$ 44.90 | 395,993 | \$ 17,781,534 | \$ 39,287,747 | \$ 889,077 | \$ 353,167 | \$ 535,910 | 3.0% | NA | \$ 47,133 | \$ 583,043 | \$ 306,034 | \$ 47,133 |
| 2034 | 17 | 0.0% | \$ 535,910 | \$ 46.57 | 405,893 | \$ 18,900,438 | \$ 58,188,184 | \$ 945,022 | \$ 409,112 | \$ 535,910 | 2.8% | NA | \$ 71,926 | \$ 607,836 | \$ 337,186 | \$ 71,926 |
| 2035 | 18 | 0.0% | \$ 535,910 | \$ 48.29 | 405,893 | \$ 19,599,754 | \$ 77,787,938 | \$ 979,988 | \$ 444,078 | \$ 535,910 | 2.7% | NA | \$ 74,587 | \$ 610,498 | \$ 369,490 | \$ 74,587 |
| 2036 | 19 | 0.0% | \$ 535,910 | \$ 50.07 | 416,040 | \$ 20,833,068 | \$ 98,621,006 | \$ 1,041,653 | \$ 505,743 | \$ 535,910 | 2.6% | NA | \$ 102,753 | \$ 638,663 | \$ 402,990 | \$ 102,753 |
| 2037 | 20 | 1.5% | \$ 543,949 | \$ 51.93 | 416,040 | \$ 21,603,892 | \$ 120,224,898 | \$ 1,080,195 | \$ 536,246 | \$ 543,949 | 2.5% | NA | \$ 106,555 | \$ 650,504 | \$ 429,691 | \$ 106,555 |
| 2038 | 21 | 0.0% | \$ 543,949 | \$ 53.85 | 426,441 | \$ 22,963,317 | \$ 143,188,215 | \$ 1,148,166 | \$ 604,217 | \$ 543,949 | 2.4% | NA | \$ 138,502 | \$ 682,451 | \$ 465,715 | \$ 138,502 |
| 2039 | 22 | 0.0% | \$ 543,949 | \$ 55.84 | 426,441 | \$ 23,812,959 | \$ 167,001,174 | \$ 1,190,648 | \$ 646,699 | \$ 543,949 | 2.3% | NA | \$ 143,626 | \$ 687,575 | \$ 503,073 | \$ 143,626 |
| 2040 | 23 | 0.0% | \$ 543,949 | \$ 57.91 | 437,102 | \$ 25,311,390 | \$ 192,312,564 | \$ 1,265,569 | \$ 721,621 | \$ 543,949 | 2.1% | NA | \$ 179,808 | \$ 723,757 | \$ 541,813 | \$ 179,808 |
| 2041 | 24 | 2.5% | \$ 557,548 | \$ 60.05 | 437,102 | \$ 26,247,911 | \$ 218,560,475 | \$ 1,312,396 | \$ 754,848 | \$ 557,548 | 2.1% | NA | \$ 186,461 | \$ 744,008 | \$ 568,387 | \$ 186,461 |
| 2042 | 25 | 0.0% | \$ 557,548 | \$ 62.27 | 448,030 | \$ 27,899,561 | \$ 246,460,036 | \$ 1,394,978 | \$ 837,431 | \$ 557,548 | 2.0% | NA | \$ 227,384 | \$ 784,931 | \$ 610,047 | \$ 227,384 |
| 2043 | 26 | 0.0% | \$ 557,548 | \$ 64.58 | 450,000 | \$ 29,059,085 | \$ 275,519,121 | \$ 1,452,954 | \$ 895,407 | \$ 557,548 | 1.9% | 3.8% | \$ 242,159 | \$ 1,346,404 | \$ 106,550 | \$ 788,857 |
| 2044 | 27 | 0.0% | \$ 557,548 | \$ 66.97 | 450,000 | \$ 30,134,272 | \$ 305,653,393 | \$ 1,506,714 | \$ 949,166 | \$ 557,548 | 1.9% | 3.8% | \$ 251,119 | \$ 1,396,221 | \$ 110,492 | \$ 838,674 |
| 2045 | 28 | 1.5% | \$ 565,911 | \$ 69.44 | 450,000 | \$ 31,249,240 | \$ 336,902,633 | \$ 1,562,462 | \$ 996,551 | \$ 565,911 | 1.8% | 3.8% | \$ 260,410 | \$ 1,447,881 | \$ 114,581 | \$ 881,971 |
| 2046 | 29 | 0.0% | \$ 565,911 | \$ 72.01 | 450,000 | \$ 32,405,462 | \$ 369,308,094 | \$ 1,620,273 | \$ 1,054,362 | \$ 565,911 | 1.7% | 3.8% | \$ 270,046 | \$ 1,501,453 | \$ 118,820 | \$ 935,542 |
| 2047 | 30 | NA | \$ 650,000 | \$ 74.68 | 450,000 | \$ 33,604,464 | \$ 402,912,558 | \$ 1,680,223 | \$ 1,030,223 | \$ 650,000 | 1.9% | 3.8% | \$ 280,037 | \$ 1,557,007 | \$ 123,216 | \$ 907,007 |
| 2048 | 31 | NA | \$ 650,000 | \$ 77.44 | 450,000 | \$ 34,847,829 | \$ 437,760,387 | \$ 1,742,391 | \$ 1,092,391 | \$ 650,000 | 1.9% | 3.8% | \$ 290,399 | \$ 1,614,616 | \$ 127,775 | \$ 964,616 |
| 2049 | 32 | NA | \$ 650,000 | \$ 80.30 | 450,000 | \$ 36,137,198 | \$ 473,897,585 | \$ 1,806,860 | \$ 1,156,860 | \$ 650,000 | 1.8% | 3.8% | \$ 301,143 | \$ 1,674,357 | \$ 132,503 | \$ 1,024,357 |
| 2050 | 33 | NA | \$ 650,000 | \$ 83.28 | 450,000 | \$ 37,474,275 | \$ 511,371,860 | \$ 1,873,714 | \$ 1,223,714 | \$ 650,000 | 1.7% | 3.8% | \$ 312,286 | \$ 1,736,308 | \$ 137,406 | \$ 1,086,308 |
| 2051 | 34 | NA | \$ 650,000 | \$ 86.36 | 450,000 | \$ 38,860,823 | \$ 550,232,683 | \$ 1,943,041 | \$ 1,293,041 | \$ 650,000 | 1.7% | 3.8% | \$ 323,840 | \$ 1,800,551 | \$ 142,490 | \$ 1,150,551 |
| 2052 | 35 | NA | \$ 650,000 | \$ 89.55 | 450,000 | \$ 40,298,673 | \$ 590,531,356 | \$ 2,014,934 | \$ 1,364,934 | \$ 650,000 | 1.6% | 3.8% | \$ 335,822 | \$ 1,867,172 | \$ 147,762 | \$ 1,217,172 |
| 2053 | 36 | NA | \$ 675,000 | \$ 92.87 | 450,000 | \$ 41,789,724 | \$ 632,321,080 | \$ 2,089,486 | \$ 1,414,486 | \$ 675,000 | 1.6% | 3.8% | \$ 348,248 | \$ 1,936,257 | \$ 153,229 | \$ 1,261,257 |
| 2054 | 37 | NA | \$ 675,000 | \$ 96.30 | 450,000 | \$ 43,335,944 | \$ 675,657,024 | \$ 2,166,797 | \$ 1,491,797 | \$ 675,000 | 1.6% | 3.8% | \$ 361,133 | \$ 2,007,899 | \$ 158,898 | \$ 1,332,899 |
| 2055 | 38 | NA | \$ 675,000 | \$ 99.87 | 450,000 | \$ 44,939,374 | \$ 720,596,398 | \$ 2,246,969 | \$ 1,571,969 | \$ 675,000 | 1.5% | 3.8% | \$ 374,495 | \$ 2,082,191 | \$ 164,778 | \$ 1,407,191 |
| 2056 | 39 | NA | \$ 675,000 | \$ 103.56 | 450,000 | \$ 46,602,131 | \$ 767,198,529 | \$ 2,330,107 | \$ 1,655,107 | \$ 675,000 | 1.4% | 3.8% | \$ 388,351 | \$ 2,159,232 | \$ 170,874 | \$ 1,484,232 |
| 2057 | 40 | NA | \$ 725,000 | \$ 107.39 | 450,000 | \$ 48,326,410 | \$ 815,524,939 | \$ 2,416,320 | \$ 1,691,320 | \$ 725,000 | 1.5% | 3.8% | \$ 402,720 | \$ 2,239,124 | \$ 177,197 | \$ 1,514,124 |
| 2058 | 41 | NA | \$ 725,000 | \$ 111.37 | 450,000 | \$ 50,114,487 | \$ 865,639,426 | \$ 2,505,724 | \$ 1,780,724 | \$ 725,000 | 1.4% | 3.8% | \$ 417,621 | \$ 2,321,971 | \$ 183,753 | \$ 1,596,971 |
| 2059 | 42 | NA | \$ 725,000 | \$ 115.49 | 450,000 | \$ 51,968,723 | \$ 917,608,149 | \$ 2,598,436 | \$ 1,873,436 | \$ 725,000 | 1.4% | 3.8% | \$ 433,073 | \$ 2,407,884 | \$ 190,552 | \$ 1,682,884 |
| 2060 | 43 | NA | \$ 725,000 | \$ 119.76 | 450,000 | \$ 53,891,566 | \$ 971,499,714 | \$ 2,694,578 | \$ 1,969,578 | \$ 725,000 | 1.3% | 3.8% | \$ 449,096 | \$ 2,496,976 | \$ 197,602 | \$ 1,771,976 |
| 2061 | 44 | NA | \$ 725,000 | \$ 124.19 | 450,000 | \$ 55,885,554 | \$ 1,027,385,268 | \$ 2,794,278 | \$ 2,069,278 | \$ 725,000 | 1.3% | 3.8% | \$ 465,713 | \$ 2,589,364 | \$ 204,914 | \$ 1,864,364 |
| 2062 | 45 | NA | \$ 750,000 | \$ 128.79 | 450,000 | \$ 57,953,319 | \$ 1,085,338,587 | \$ 2,897,666 | \$ 2,147,666 | \$ 750,000 | 1.3% | 3.8% | \$ 482,944 | \$ 2,685,170 | \$ 212,496 | \$ 1,935,170 |
| 2063 | 46 | NA | \$ 750,000 | \$ 133.55 | 450,000 | \$ 60,097,592 | \$ 1,145,436,179 | \$ 3,004,880 | \$ 2,254,880 | \$ 750,000 | 1.2% | 3.8% | \$ 500,813 | \$ 2,784,522 | \$ 220,358 | \$ 2,034,522 |
| 2064 | 47 | NA | \$ 750,000 | \$ 138.49 | 450,000 | \$ 62,321,203 | \$ 1,207,757,382 | \$ 3,116,060 | \$ 2,366,060 | \$ 750,000 | 1.2% | 3.8% | \$ 519,343 | \$ 2,887,549 | \$ 228,511 | \$ 2,137,549 |
| 2065 | 48 | NA | \$ 750,000 | \$ 143.62 | 450,000 | \$ 64,627,087 | \$ 1,272,384,469 | \$ 3,231,354 | \$ 2,481,354 | \$ 750,000 | 1.2% | 3.8% | \$ 538,559 | \$ 2,994,388 | \$ 236,966 | \$ 2,244,388 |
| 2066 | 49 | NA | \$ 750,000 | \$ 148.93 | 450,000 | \$ 67,018,289 | \$ 1,339,402,758 | \$ 3,350,914 | \$ 2,600,914 | \$ 750,000 | 1.1% | 3.8% | \$ 558,486 | \$ 3,105,181 | \$ 245,734 | \$ 2,355,181 |
| 2067 | 50 | NA | \$ 750,000 | \$ 150.00 | 450,000 | \$ 67,500,000 | \$ 1,406,902,758 | \$ 3,375,000 | \$ 2,625,000 | \$ 750,000 | 1.1% | 3.8% | \$ 562,500 | \$ 3,127,500 | \$ 247,500 | \$ 2,377,500 |
| | | | | | | | | | \$ 47,358,239 | \$ 29,786,899 | 2.4% | | \$ 11,048,318 | \$ 67,960,124 | \$ 9,185,014 | |

1. Average Price X Ticket Sales X 5% Excise Tax = Excise Tax Revenue
 2. See <https://impactdatasource.com/choosing-a-discount-rate/> for more information on Discount Rates.