

Section 4.0 | Costs and Financing

4.1 INTRODUCTION

This section summarizes the capital, operating, and maintenance costs and planned sources of funding for the proposed Project. This analysis is intended to assist the lead agency and responsible agencies, as well as stakeholders and the general public, in understanding the costs of the proposed Project, as well as proposed funding sources.

4.2 COSTS AND FUNDING

This section presents the cost of the proposed Project as well as the proposed funding and financing sources for the proposed Project. The capital costs for the proposed Project are presented in 2021 dollars.

4.2.1 Capital Costs

Capital cost estimates for the proposed Project are based on conceptual engineering drawings. Further technical refinements to the proposed Project and the potential selection of alternative designs during the approval process may impact capital costs. The capital costs are estimated at \$385 - 500 million. Construction of the proposed Project assumes prevailing wages pursuant to a Project Labor Agreement.

Table 4-1 Capital Cost Estimates for the Proposed Project

Cost Category	Cost Estimate
Construction	\$275 – 325 million
Gondola System Equipment and Cabins	\$75 - 100 million
Soft Costs	\$15 – 25 million
Contingency	\$20 - 50 million
Total	\$385 - 500 million

4.2.2 Operating and Maintenance Costs

Based upon the proposed service levels, the proposed Project operations and maintenance costs are projected at approximately \$8 - 10 million per year (inclusive of capital reserve funds). Operation and maintenance costs are proposed to be fully funded out of Project revenues. Operations and maintenance costs assume prevailing wages. These costs are estimated in 2021 dollars.

4.2.3 Capital Funding Sources

The primary source of capital funding for the proposed Project would be bond financing serviced by revenue from the proposed Project. The revenue available for bond servicing is net of the costs of operation and maintenance costs represented in the above section. The primary sources of revenue for the proposed Project are farebox revenues and naming rights sponsorship revenue,¹ after which operating costs are deducted. The bond financing for the proposed Project assumes the independent credit rating of the proposed Project. The proposed Project is not seeking Metro funding. In addition, no other sources of public funding have been sought or committed to the proposed Project.

¹ Refer to Topical Response K, Signage and Lighting.

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