

Own Source Revenue

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A & F Subcommittee

May 9, 2024

Agenda

- Defining Own Source Revenue
- Review of Own Source Revenue Categories
 - Real Estate
 - Parking
 - Advertising
- Summary

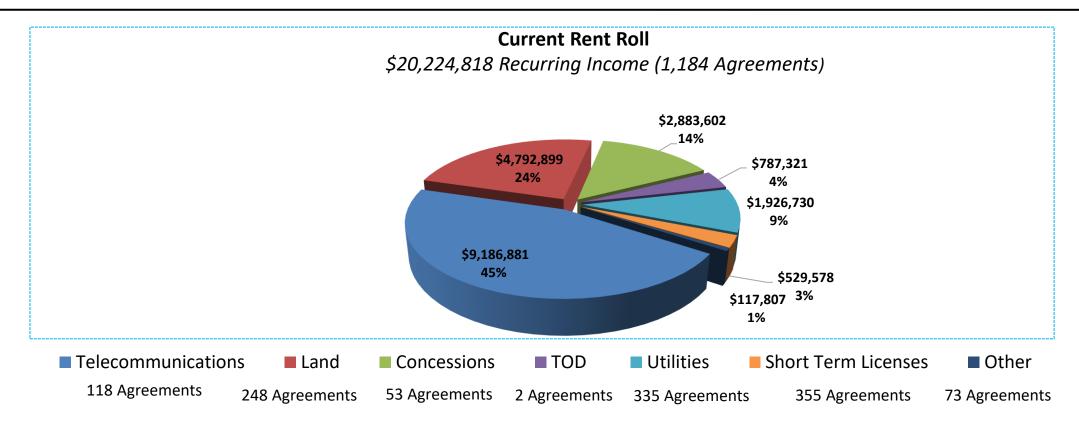


Defining Own Source Revenue

- The MBTA's Operating Budget is supported by:
 - Non-Operating Revenues (Subsidy)
 - Operating Revenues (Fares, Own Source)
- Own Source Revenue is made up of (in FY2023):
 - Real Estate: 35.5%
 - Parking: 32.5%
 - Advertising: 28%
 - Misc: 4%

Revenue Type	Source	rce FY 2024		
Non-Operating Revenues	Federal	4%	79%	
	Local Assessment	8%		
	State Assistance	8%		
	State Sales Tax	59%		
Operating Revenues	Fares	17%		
	Own Source	3%		
	Other	1%		

Real Estate Rent Roll



Note: above represents in place occupancy agreements, not inclusive of admin and other processing income.

Real Estate

Revenue relatively stable

- \$26m in one-time transactions not included
- Retail challenged by ridership loss and space condition

Initiatives:

- Exploring impact of new technology on telecom/utility
- Reviewing MBTA facilities for revenue, cost reduction or future cost avoidance
- Advancing TOD opportunities
- Advocating for mitigation



^{*} Revenue Includes South Station Bus Terminal managed by RE

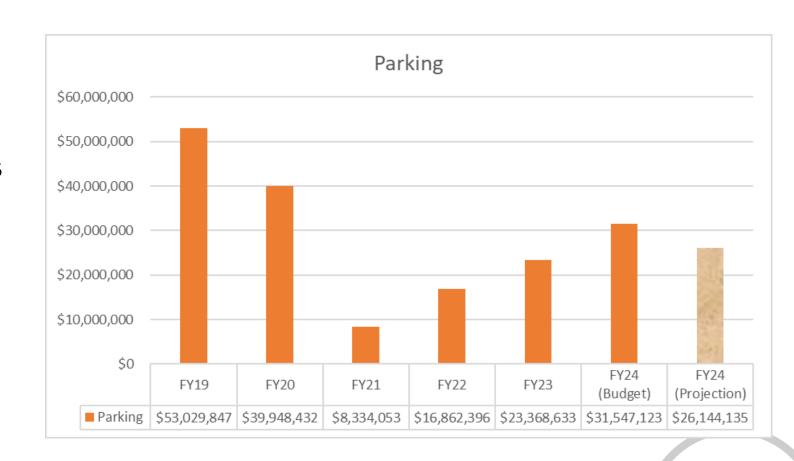
Parking

Revenue fell 86% during the pandemic; growing back

- Parking growth relies upon increases in ridership
- Deferred maintenance impacts space availability
- Greater cost efficiency with payment tech, Keolis contract

Initiatives:

- New parking enforcement technology
- Improving state of good repair
- Price adjustments and partnership deals



Advertising

Revenue also affected by ridership

- ROW restrictions and line closures have impacted revenues in FY24
- Additional advertising assets require State and/or local approvals

Initiatives:

- Street Furniture at Bus Stops
- Converting Billboards to Digital
- Digital Advertising Screens at station entrances
- Process improvements for posting advertising



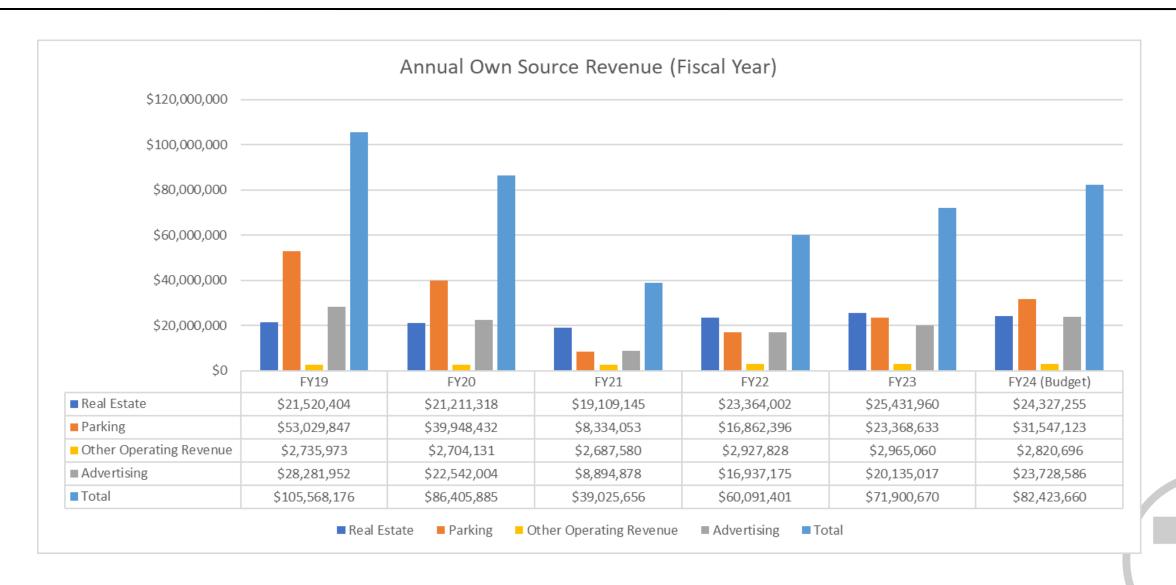
Summary

- Advertising, Parking and Real Estate are sensitive to ridership trends.
- Some sources also provide non-revenue benefits like real time customer information and facility improvements.
- We are continually advancing initiatives to grow net revenue. We frequently partner with municipalities and state agencies to advance these.
- There are tradeoffs between maximizing revenue and priorities of safety, service, and state of good repair. Access to the system is limited by safety considerations and availability of staff to oversee third party work.
- TOD can provide value in many ways, but is not a major cash generator.
- We are also working to more efficiently manage our facilities to reduce costs and thereby increase net revenues.

Appendix



Historic Performance of Own Source Revenue



Advertising Initiatives

FY 2017

FY 2018

FY 2019

FY 2020

FY 2021

operations.

and snow

maintenance.

removal for bus

shelters across

Secured funding

to support Street

Information Panel

the network

Furniture

Outdoor

deployment

Installed first

FY 2022

FY 2023

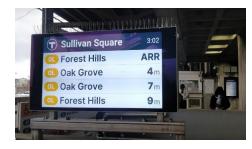
FY 2024 (Planned)

- Re-procured Systemwide Advertising Concession with Industry-leading terms
- Updated advertising guidelines to allow alcohol advertising in some locations
- Piloted digital advertising panels at select stations

- Started largescale deployment of digital advertising panels across network
- Launched new formats for outdoor advertising including full bus and train wraps
- Debuted realtime subway arrival information on digital panels inside stations

- Installed first
 Digital Urban
 Panels at station
 entrances
- Re-vamped static advertising inventory at North and South Stations
- Added bus arrival information on Digital Urban Panels at station entrances
- Completed installation of 650+ digital advertising panels across the rapid transit network
- Procured Outdoor Information
 Panels to provide roadside customer information
- - Converted two Outdoor Information Panels from static to digital faces on roadsides
 - Installed first Customer Information Displays at seven rapid transit stations

- Installed Information Kiosk at Roxbury Crossing, Nubian, and Kenmore stations
- Deployed new digital customer and advertising panels on rapid transit network
- Deploy additional Digital Urban Panels displaying multi-modal arrival information at more Rapid Transit Stations
- Deploy 250
 Customer
 Information
 Displays
 dedicated to
 MBTA Real-Time
 Customer
 Information
- Deploy 24+ Bus Shelters and additional Information Kiosks across the region







Parking and Station Access Initiatives

FY 2019

FY 2017

FY 2018

FY 2020

FY 2021

FY 2022

FY 2024 (Planned)

- Re-procured Parking Management Concession
- Introduced License Plate Recognition system for parking facility management
- Expanded mobile payment to majority of parking facilities

- FMCB Approved Parking Pricing Policy
- Implemented first parking pricing change in a decade
- Started program of state of good repair work at Parking Lots and Garages
- Phased out cash collection at seven facilities

- Developed new snow and ice clearing plan
- Introduced new parking enforcement planning software
- Executed on state of good repair projects improving safety and customer experience

- Eliminated cash at garages
- Expanded
 PaybyPhone to all
 MBTA garages
- Explored alternate uses for facilities in response to the sudden drop of demand brought on by COVID-19
- Started License-Plate Reader Proof of Concept at select facilities
- Continued state of good repair capital investments
- Secured funding to repair and replace bike racks
- Transitioned Parking Facilities Management Contract to new vendor, Keolis
- Launched new software platform for managing parking nonpayment invoices
- Concluded stationary License plate recognition camera proof of concept
- Continued state of good repair work at parking lots

 Put first stationary LPR cameras in revenue service at Woodland Garage

FY 2023

- Continued state of good repair projects at Braintree, Quincy Adams, Route 128, and Alewife Garages
- Upgrade bike parking infrastructure at 15 facilities including pilots of maintenance stands, wayfinding, and high-capacity racks.
- Roll out more stationary LPR cameras
- Continue state of good repair projects at surface lots
- Achieve substantial completion of South Shore Garage projects
- Open North Quincy Station Parking Garage
- Conduct Electric
 Vehicle (EV)
 Charging
 Infrastructure
 Planning Study, if
 funded

Real Estate Revenue Highlights

FY 2017

FY 2018

FY 2019

FY 2020

FY 2021

FY 2022

FY 2023

•\$307,507

Renewal on

•\$160.000

Worcester Line

annually for Bank

of America ATMs

renewed at --

•\$206.035

Annually for

Northeastern

Lease at Ruggles

•\$14,386,356

payment from

Divco West to

obligation

resolve parking

locations

Station

FY 2024 (Planned)

- \$12,000,000 payment for amended lease at South Station + **\$1,000,000** in annual lease payments.
- \$2,208,858 for grant of multiple easements in connection with **Encore Boston** Harbor.
- \$821.400 upfront payment for the lease of land at **Beverly Depot** Station.
- \$782.175 for the sale of Parcel U at Forest Hills.

- \$4,226,261 transaction fee at transfer of South Station lease.
- \$4,900,000 for conversion of lease to sale of land in Revere.
- \$1.020.000 for grant of easement to National Grid for a transmission line.
- \$621,414 annually for Encore's lease of space at Everett Shops Bus Facility.
- \$599,463 for grant of easement to New England Power.

- \$1.799.000 for sale of Newburyport Station TOD site.
- \$500.000 Forbearance Payment for Riverside Station Option.
- \$2,019,604 for sale of Greenbush Station parking lot.
- \$659.258 loss in annual revenue for termination of Encore lease at **Everett Shops Bus** Facility.
- \$540.030 annually for lease of North Quincy Station TOD site.
- \$250,000 Forbearance Payment for Riverside Station Option.
- \$209,063 for grant of easement for grade crossing at Cordage Park.

- \$702,190 annually for Chase Bank Lease of 28 ATM locations.
- \$639,497 upfront payment for the Mattapan Station Ground Lease + \$219,592 annually commencing in Nov. 2023.
- \$250.000 Forbearance Payment for Riverside Station Option + \$480.000 annually until closing.
- \$2,478,689 in property sales.

- \$425,000 annually for Eversource Sudbury to Hudson, escalating 3% for 20 years
- \$2,299,374 annually for North Station Garage commencement of annual payments over 30 years
- \$49,200 annually for Mike's Donuts concession at Forest Hills
- \$85,000 annually for Dominos renewal at Rox Crossing
- \$1.82M Bartlett Yards final payoff

- •\$400,000 annually for American Tower T-Mobile 5G annually for Sprint **Upgrades**
 - •\$220,000 annually for Citizens Bank ATM renewal
 - •\$120,000 estimated annual cost savings for assumption of North Station concourse
 - •\$3,730,000 up front payment and savings of ~\$60,000 annually for relief of roadway expenses for **Woodland Station** Apartment lease extension
 - •Up to \$2,600,000 annual savings resulting from strategic acquisitions

Key

Recurring Revenue One-Time Revenue

MBTA Transit Oriented Development Projects 2004-24

Project Status	Units	Affordable Units	Commercial SF	Value to MBTA	In Kind	Cash*
COMPLETED: 18 Projects	4,976	1,139	4,885,375	\$ 87,913,548	\$ 39,970,000	\$ 47,943,548
UNDER CONSTRUCTION: 6 Projects	1,466	313	1,648,683	\$185,472,059	\$170,000,000	\$ 15,472,059
IN PERMITTING: 6 Projects	1,715	667	1,777,200	\$ 66,455,000	\$ 47,000,000	\$ 19,455,000
GRAND TOTAL	8,157	2,119	8,311,258	\$339,840,607	\$256,970,000	\$ 82,870,607

^{*} Actual one-time payment or net present value of rent stream

MBTA Transit Oriented Development Projects 2004-24

				Commercial SF
	Completed I	Projects		
Arborpoint at Woodland Station	National Development	180	45	N/A
The Carruth at Ashmont Station	Trinity Financial	116	74	38,000
Parcel 1A - Avenir at North Station	Trinity Financial	241	17	30,000
Hingham Shipyard	Samuels	479	24	240,000
225 Center Street at Jackson Square	JPNDC	438	291	60,000
Avalon North Station	Avalon Bay	503	54	3,575
Parcel U	Urbanica	102	78	2,660
Beverly Depot	Barnat Development	67	14	4,500
Boston Landing	NB Development Group	295	38	730,000
Assembly Row	Federal Realty	1843	230	3,385,000
Roxbury Crossing (Phase 1)	Mission Hill NHS	88	40	196,000
Newburyport	Minco	76	16	N/A
25 Amory Street - Jackson Square	JPNDC	44	44	N/A
125 Amory Street - Jackson Square	Urban Edge	62	62	N/A
250 Centre Street - Jackson Square	The Community Builders	112	45	2,140
Mattapan Station	POAH/Nuestra	135	70	10,000
Waterfront Square	Eurovest/Redgate	320	N/A	175,000
Scituate - Greenbush Station	Drew Company	77	11	13,000
TOTALS		4,976	1,139	4,889,875
	Projects Under C	Construction		
Roxbury Crossing (Phase 2)	Mission Hill NHS	46	46	N/A
Bartlett Place	Nuestra/Windale	323	194	54,000
Fenway Center	Meredith/IQHQ	312	47	228,000
South Station Air Rights (Phase 1)	Hines	175	26	711000
North Quincy Station	Bozzuto/Atlantic Development	610	*	55,000
Parcel 12, Boston	Samuels	N/A	N/A	655,683
TOTALS		1466	313	1,648,683
	Projects in Permi	tting/Design		
Roxbury Crossing (Phase 3)	Mission Hill NHS	94	94	N/A
Salem Crescent Parcel	Winn Companies	120	48	N/A
66 Cambridge Street, Boston	Fallon Company	n/a	n/a	812000
Riverside Station	Mark Development	602	194	10,000
Waterfield Place, Winchester	Civico	60	40	1,200
21 Elm Street, Swampscott	Winn Companies	114	76	N/A
Parcel 13 - Hynes Station Air Rights	Peebles	125	125	300,000
Back Bay Station	Boston Properties	600	90	654,000
TOTALS		1,715	667	1,777,200
GRAND TOTAL		8.157	2.119	8,315,758

^{*\$5} million contribution to the City's Affordable Housing Fund