Funding Projects for Success
Sustainability

• **Communities**
  - improve mobility, livability, economy for regions residents

• **Systems**
  - stabilize our infrastructure and effectively manage assets

• **Revenues**
  - build mechanisms to adequately finance needs
Approaching the Issue of Revenue and Finance
Maximizing Efficiency

- Preserving Existing Infrastructure
  - cost savings-preservation versus rebuild
  - bridge management program (1 decade)
  - revised approach to overall asset management
Maximizing Efficiency

• Invest per the Framework
• “Rebuild Infrastructure and Grow in Those Areas”
• Longer term cost implications of spending
Linkage to Existing Sources

- Transportation Program more than FHWA/FTA funding
- Numerous coordinated plans emerging to prioritize funds
- Importance of transportation in economic and community development
- REDC, NYSERDA, HUD, etc recent examples
Other Sources

• Other regions examining and implementing initiatives to expand funds for projects
• Some examples follow, possible revenue generation discussed
Revenue Mechanisms Seen in Some Metros

<table>
<thead>
<tr>
<th>User Fees</th>
<th>Non-User Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuels tax per gallon</td>
<td>Sales tax</td>
</tr>
<tr>
<td>Sales tax on purchase price of fuel</td>
<td>Property tax</td>
</tr>
<tr>
<td>Aviation fuels tax</td>
<td>Development tax, including commercial and residential</td>
</tr>
<tr>
<td>Tolls, including flat and variable tolls</td>
<td>Per capita tax</td>
</tr>
<tr>
<td>Vehicle Sales Tax</td>
<td></td>
</tr>
<tr>
<td>Vehicle License/Registration Fees</td>
<td></td>
</tr>
<tr>
<td>Emissions Fees</td>
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<tr>
<td>Annual VMT Fees</td>
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</tr>
<tr>
<td>Revenue Source</td>
<td>0.34% of U.S.</td>
</tr>
<tr>
<td>--------------------------</td>
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<tr>
<td>Fuel Tax</td>
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<td>Fuel Sales Tax</td>
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<td>Vehicle Sales Tax</td>
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<td>Vehicle Registration Fee</td>
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<td>Vehicle Emission Fee</td>
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<td>VMT Fee</td>
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<td>Development Tax</td>
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</table>
How Does This Work?

• Like much of 1RF discussions, challenge of multiple jurisdictions is real
• Planning and project delivery through MPO works well
• No mechanism exists to generate and disburse revenues in an administrative manner
• Numerous other areas have solved with success
TransNet Program San Diego region

• for more than 20 years has funded highway expansions, Trolley extensions, pedestrian-friendly projects, bikepaths, local road improvements, and transit programs throughout the entire region.
In 1987, San Diego County voters recognized the challenge to keep San Diego residents, visitors, and commerce on the move, and approved TransNet—a regional half-cent sales tax collected to finance transportation improvements.
Results

• Initial 20-year TransNet program generated approximately $3.3 billion between 1988 and 2008.

• SANDAG, which administers TransNet funds, distributed the money in equal thirds among transit, highway, and local road projects.

• In addition, $1 million was earmarked annually for bicycle paths and facilities.

• The program also funded seven innovative Walkable Community Demonstration Projects

• Supports a robust public transportation system, including new Bus Rapid Transit services and Carpool/Express Lanes along many of the major transportation corridors
Other Features

• *TransNet* extension includes some added features over the initial program.

• Supports an innovative $850 million environmental mitigation program to offset the impacts of future transportation improvements while at the same time reducing overall costs and accelerating project delivery.

• Extension also provides for a $280 million smart growth incentive fund.

• Approximately $5 million a year of the available funds will go to bicycle paths and facilities, pedestrian improvements, and neighborhood safety projects.

• Extension also created the Independent Taxpayer Oversight Committee to monitor the expenditure of *TransNet funds*
Path Forward

- Stabilize the Assets, Invest to Support Framework – 1RF
- Execute
  - advocate growth in existing revenue sources
  - seek consensus on new opportunities
  - develop structures and mechanisms as needed
  - consider as component of Next Generation planning/delivery mechanisms