

**SALEM**

RIVER · CROSSING

# **MPO Regional Transportation Plan and Financial Constraint**

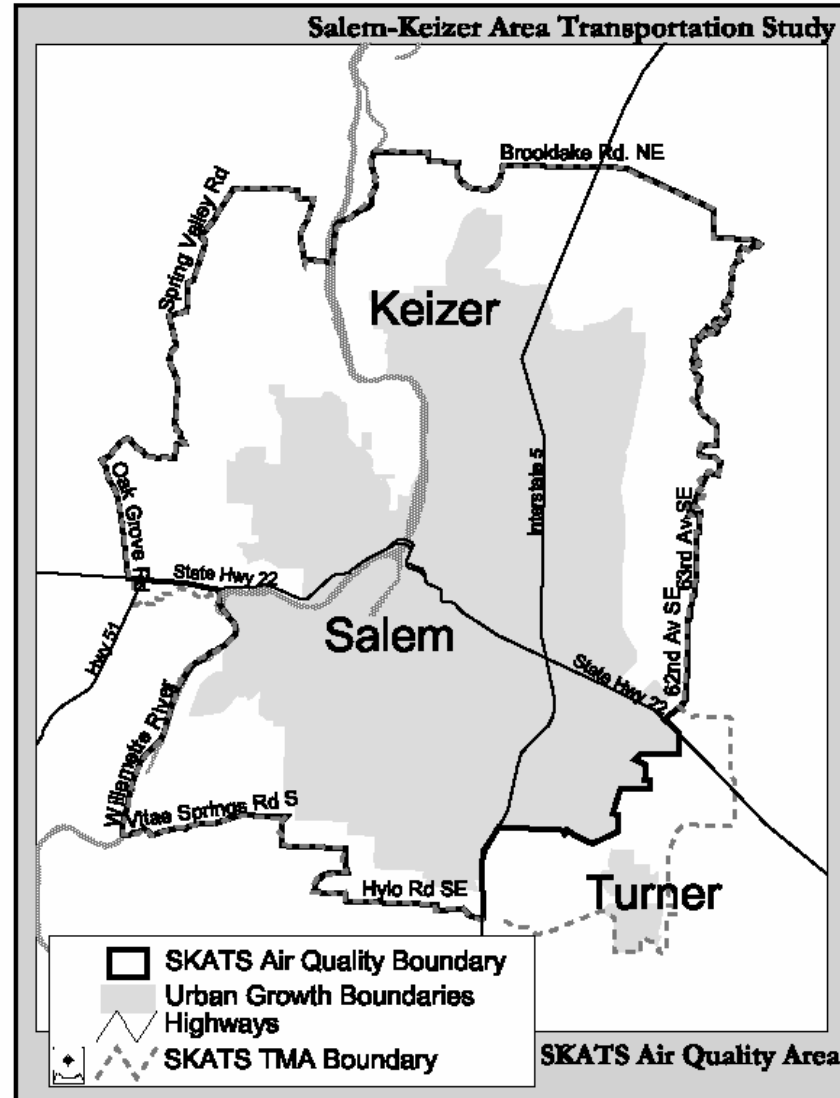
Mike Jaffe, 3/21/07

# SKATS

## Salem-Keizer Area Transportation Study

- ◆ MPO – metropolitan planning organization
  - ◆ MPOs for urban areas with population > 50,000
- ◆ Required to prepare:
  - ◆ 24-year Regional Transportation System Plan, with revenue estimates, project needs and costs
  - ◆ 4-year Transportation Improvement Program, showing projects (highway, transit, freight, etc.) to be implemented with federal and state funds
- ◆ RTSP updated every 4 years, TIP updated every 2 years

# SKATS MPO Planning area



# Financial Plan

- ◆ Anticipated revenues
- ◆ Estimated project costs
- ◆ Financial constraint

- ◆ The Plan must demonstrate that adequate funding is expected to be available for maintenance and operation of existing transportation system.
  - The plan assumes the majority of state gas tax coming to Salem-Keizer is used for maintenance.
  
- ◆ Financial Constraint means that we can only include in the plan those projects that can be funded by “reasonably anticipated” revenue sources.
  - Salem bonds are “reasonably anticipated” given history.
  - Plan can’t assume a local gas tax revenue unless approved by voters

# Revenue available for Regional System

Estimate of \$436 million (2007-2031)

- ◆ Federal funds - **\$240 million**
  - ◆ National Highway System Funds - \$136 million
    - Primarily for I-5 widening south of Kuebler
  - ◆ Surface Transportation Funds - \$98 million
    - ~ \$2.3 million in 2006
  - ◆ Other (enhancement, forest revenue) – \$5 million
- ◆ State Gas Tax
  - ◆ Based on ODOT report that assumes increases in future gas tax and vehicle registration fees
  - ◆ Majority of gas tax used for maintenance
  - ◆ Estimate used for capital projects - **\$12 million**

# Revenue available for Regional System

Estimate of \$436 million (2007-2031)

- ◆ Local revenues available for projects on regional system– **\$184 million**
  - ◆ Salem - \$166 million
    - Three City of Salem Obligation Bonds - \$39 million
    - System Development Charges - \$40 million
    - Urban Renewal - \$24 million
    - Other Salem (private and other grants) - \$63 million
  - ◆ Marion County - \$9 million
  - ◆ Keizer - \$6 million
  - ◆ Other - \$2 million
- ◆ Total Federal, State, and Local - **\$436 million**

- ◆ The 24-year plan:
  - ◆ Total revenue available for new capital projects on the regional system (non-transit): **\$436 million**
  - ◆ Estimated cost of each project (updated in 2007)
    - Total for all projects in the plan: **\$937 million**
    - This leaves a funding shortfall of ~ **\$500 million**
  - ◆ “Financial constraint”:
    - Projects are prioritized, with the high priority projects that can be funded with \$436 million in the “included” list.
    - All other projects are classified as “illustrative”.

- ◆ Without a way to pay for it, the bridge is classified as an “illustrative” project in the Plan
  - ◆ The plan does include \$20 million for right-of-way for a bridge

## What about funding of the bridge?

- ◆ Already a funding shortfall of \$500 million in project needs on the regional system.
- ◆ Most of the expected \$436 million in revenue could not be “shifted” towards cost of the bridge because funds are:
  - ◆ Committed to other projects
  - ◆ Current “color of money” restricts the funds to specific uses
    - System development charges to existing facilities impacted by growth
    - NHS funds to projects on the NHS
- ◆ Conclusion: to be included in the plan, the bridge must identify a new funding source