

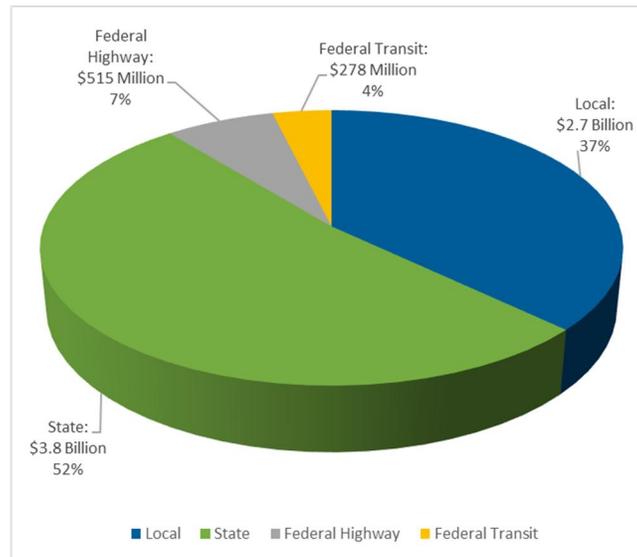
APPENDIX I – REVENUE PROJECTION AND ASSUMPTIONS

The 2018 StanCOG Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) financial forecasts provide revenue projections for StanCOG member agencies through 2042. Revenue forecasts were developed through meetings and coordination efforts with StanCOG’s member agencies and Caltrans. These revenue projections satisfy federal requirements to achieve a financially constrained RTP whereby total project Capital Improvement Program (CIP) project costs are accounted for through available and expected funding across the life of the program. The 2018 StanCOG RTP/SCS financial revenue forecast estimates approximately **\$7.318 billion** in available funding through fiscal year 2042.

The RTP provides projections for local, state, and federal funds and distinguishes between formula and competitive funding sources. Formula funds are systematic and were projected based on previous funding cycles specific to each member agency. Competitive funding, such as grant programs, are less certain and were based on past performance by StanCOG’s member agencies, program applicability, and an assumed capture rate based on Stanislaus County’s proportion of state maintained centerline miles of roadway. In addition to funding sources listed in the 2014 RTP/SCS, the 2018 StanCOG RTP/SCS financial revenue forecasts includes several new funding sources: Measure L, Senate Bill (SB) 1, and SB 132. As the result of the passage of Measure L, Stanislaus became a Self-Help County, which will increase its ability to leverage additional federal and state discretionary funding.

Forecast estimates are specified for local, state, and federal funding sources. Due to the addition of SB 1, state funding sources account for approximately 52% of total forecasts for the 2018 StanCOG RTP/SCS, as shown in the following figure.

Figure 1 – Revenue Sources



The local, state, and federal funding sources are described in detail in the following sections. (Note: A 3% annual revenue growth rate increase was assumed for various revenue sources to approximate future increases in funds, and to reflect inflation increases. In addition, 3% annual growth rate is representative of historical growth rates.)

Local Revenues

Local Funding (Development Impact Fees/Local General Fund) and State Gas Tax Funding

Local General Fund monies, collected through city-wide taxes, and Development Impact Fee monies, collected during the development process, are used to improve local road systems within each jurisdiction. StanCOG maintains funding estimates from these sources for fiscal years 2017/2018 to 2042/2043. Gas Tax monies were estimated based on information provided by the State Controller for fiscal Year 2016/2017. *Assumption:* Gas tax estimates for fiscal year 2018/2019 and future years are based on a 3% annual increase. In total, the region anticipates approximately **\$900.9 million** from these sources through the year 2042.

Transit Fares

This source consists of fares collected by the region's transit operators (MAX, MADAR, CAT, CDAR, Turlock Transit, Turlock Transit DAR, StaRT and StaRT DAR combined). *Assumption:* Fiscal year 2018/2019 and future year revenues are estimated based on a 3% annual increase. In total, the region anticipates approximately **\$148.7 million** from these funds through the year 2042.

Local Transportation Fund (LTF)

LTF is a portion of the Transportation Development Act (TDA) dollars derived from a one-quarter percent statewide general sales tax imposed for transportation purposes. LTF funds are deemed local because they are not subject to state appropriation or apportionment. StanCOG administers the LTF funds and forecasts revenue based on projections provided by the State and past receipts.

TDA law allows local agencies to use LTF funds on local streets and roads, provided that all unmet transit needs that are found "reasonable to meet" are funded. If there are funds remaining, they can be used for local road projects.

Assumption: Fiscal year 2018/2019 and future year revenues are estimated based on a 3% annual increase. The region anticipates approximately **\$687.7 million** for LTF funds, and **\$14.6 million** allocated for non-motorized LTF projects, through the year 2042.

Measure L Funds

Measure L (Local Roads First) is a half-cent sales tax referendum passed in November 2016 by the voters of Stanislaus County to increase funding for needed transportation improvements in the county. 65% of Measure L revenue was apportioned directly to local agencies on a formula basis for the following purposes: 50% Local Streets and Roads (\$480,150,000); 10% Traffic Management (\$96,030,050); and 5% Bike and Pedestrian (\$48,015,000) improvements. The other 35% of Measure L was applied to regional needs, including: 28% for 16 priority capital improvements (\$268,884,000); and, 7% for regional transit providers (\$67,221,000). As the Local Transportation Authority (LTA) for the Stanislaus region, StanCOG apportions local Measure L funds to its member agencies on a formula basis. StanCOG also coordinates with its member agencies to implement the regional program of projects as defined in StanCOG's Measure L Expenditure Plan.

Measure L Funds were provided for the following categories: Local Streets and Roads, Traffic Management, Bike and Pedestrian Improvements, Regional Projects, and Transit Providers. Estimates were taken from the StanCOG Measure L Expenditure Plan, which estimates that the measure will generate approximately \$38 million per year based on the half-cent sales tax for an estimated total of nearly **\$960 million** over the course of the measure's lifetime.

State Revenues

State Highway Operations and Protection Program (SHOPP)

Biennially, Caltrans is required to prepare a SHOPP for expenditure of transportation funds for major capital improvements necessary to preserve and protect the State highway system. Funding for fiscal years 2017/2018 to 2020/2021 reflect Stanislaus County totals for the Caltrans 2016 and 2018 SHOPP allocations. *Assumption:* Funding for fiscal year 2021/2022 was estimated as an average of the prior four years; future years are estimated based on a 3% annual increase. The region anticipates approximately **\$986.1 million** from these funds through year 2042.

State Transportation Improvement Program (STIP)

The California Transportation Commission (CTC) programs an available amount of STIP funds to local programs after funds are dedicated to State programs. STIP funds are distributed 75% to the Regional Improvement Program (RIP) and 25% to the state Interregional Improvement Program (IIP) discretionary account. STIP funding through fiscal year 2022/2023 is based on STIP apportionments as reported by StanCOG. *Assumption:* Funding for STIP/RIP for fiscal years 2023/2024 through 2041/2042 is estimated at \$5.3 million per year. No STIP/IIP funds are anticipated through the life of the plan (through 2042). The region anticipates approximately **\$130.9 million** from these funds through year 2042.

Public Transportation Account (PTA)

StanCOG does not anticipate receiving PTA funds through year 2042, given that the 2018 STIP Fund Estimate indicates a negative program capacity for the PTA.

State Transit Assistance (STA)

STA is a portion of the Transportation Development Act (TDA) dollars derived from the statewide general sales tax on diesel fuel. These funds are available only for transportation planning and mass transportation operating and capital purposes. Half of the STA funds are allocated to Regional Transportation Agencies (RTPA) and the other half to transit agencies.

STA funding for fiscal years 2017/2018 and 2018/2019 is based on STA apportionments as provided by StanCOG. *Assumption:* Funding for fiscal year 2019/2020 and future years is estimated based on a 3% annual increase. The region anticipates approximately **\$85 million** from these funds through year 2042.

Highway Maintenance (HM)

Assumption: Funding for fiscal year 2017/2018 and future years is estimated based on a 2% (or \$8.3 million) capture rate of the \$417 million in total funds available annually through Caltrans' 2017 State Highway System Management Plan (SHSMP). The region anticipates approximately **\$208.5 million** from these funds through year 2042.

Aviation Funding

Federal aviation related funds were derived from user charges, such as taxes on aviation fuels, taxes on civil aircraft, and a surcharge on air passenger fares. Although funding for aviation comes from both State

and federal sources, the State administers the distribution of funds and therefore revenue estimates were shown under the State category.

Funding estimates for fiscal years 2017/2018 to 2023/2024 are based on allocated funds through Caltrans' California Aviation System Plan (CASP) Capital Improvement Plan (CIP). *Assumption:* Funding for fiscal year 2024/2025 is estimated as an average of the prior seven years of state apportionments, and increased using a 3% escalation to 2042. The region anticipates approximately **\$42.5 million from federal funds** and **\$957,226** from State funds through year 2042.

Systemic Safety Analysis Reporting Program (SSARP)

SSARP funding was based on Caltrans' Highway Safety Improvement Program SSARP Phase 1 and 2 grant funding of \$548,170 for fiscal year 2017/2018. *Assumption:* Funding for fiscal year 2018/2019 and future years are estimated based on a 3% annual increase. The region anticipates approximately **\$19.9 million** from these funds through year 2042.

Active Transportation Program (ATP) (Competitive)

ATP funding is based on ATP Cycle 2 allocation for fiscal years 2017/2018 and 2018/2019. Funding for fiscal years 2019/2020 and 2020/2021 is estimated based on ATP Cycle 3 Statewide and Metropolitan Planning Organization components. *Assumption:* Funding for fiscal year 2021/2022 and future years are estimated based on a 3% annual increase applied to the average of the preceding two years. The region anticipates approximately **\$94.4 million** from these funds through year 2042.

SB1

The State Legislature passed Senate Bill 1 in 2017, increasing several transportation related taxes and fees while creating the Road Maintenance and Rehabilitation Program to address deferred maintenance on the State highway system and the local street and road system. SB1 funding provides both formula and competitive funding to new and existing programs, including the following: ATP Augmentation, SHOPP Augmentation, STIP Augmentation, Local Streets and Roads, State Rail Assistance, State Transit Assistance, Transit and Intercity Rail Capital Project, Trade Corridor Enhancement Program, Solutions for Congested Corridors, Sustainable Communities Planning Grant, and Adaptation Planning Grant. Formula and competitive funds are estimated based on available California State Association of Counties (CSAC) information provided by StanCOG. Competitive funds (ATP and SHOPP Augmentation funds) are estimated based on historical capture rates and capture rate estimates based on county centerline miles. In addition, SB1 funding is isolated from other gas tax subvention funds given that it reflects a significant influx of new revenue and includes a competitive grant component. The region anticipates approximately **\$2.079 billion** from SB1 funds through year 2042.

SB 132

The State Assembly passed Senate Bill 132, which contains almost \$1 billion in district-specific road and rail projects in Stanislaus, Merced, and Riverside counties. Senate Bill 132 provides \$500 million for projects. The measure includes \$400 million in transportation funds for the extension of the Altamont Corridor Express to Modesto, Ceres, and Merced; a commuter rail line between the Bay Area and Central Valley; and \$100 million for a parkway project at the UC Merced campus. SB 132 funding was based on San Joaquin Regional Rail Commission project delivery options, which estimates a total of \$164 million allocated to Stanislaus County. *Assumption:* Annual funding is estimated based on an equal allocation of total project funds over the 25-year period between fiscal year 2017/2018 and 2041/2042. The region anticipates approximately **\$164 million** from these funds through year 2042.

Federal Revenues

Federal Transit Funding Programs

Federal Transit Administration Section 5307 (Urbanized Formula Program)

This program provides grants for Urbanized Areas (50,000-plus population) for public transportation capital investments, and operating expenses in areas under 200,000 in population from the Mass Transit Account of the Highway Trust Fund (HTF). Funding estimates for fiscal years 2017/2018 to 2021/2022 are based on FTA apportionments as reported by StanCOG. *Assumption:* Funding for fiscal year 2022/2023 and future years is estimated based on a 3% annual increase.

Federal Transit Administration Section 5311 (Non-Urbanized Transit)

Under this section, funds were provided to non-urbanized transit systems—of which Stanislaus County Transit (StaRT) was one—on a formula basis for capital and operating expenses. Twenty percent of Section 5311 funds were distributed through a new tier-based formula based on land area. The remaining 80 percent of funds was allocated by the existing formula based on population. Funding estimates for fiscal years 2017/2018 to 2021/2022 are based on FTA apportionments as reported by StanCOG. *Assumption:* Funding for fiscal year 2022/2023 and future years is estimated based on a 3% annual increase.

Section 5339 Bus and Bus Facilities

This program provides capital funding to replace, rehabilitate and purchase buses and related equipment, and to construct bus-related facilities. Funding estimates for fiscal years 2017/2018 to 2021/2022 are based on FTA apportionments as reported by StanCOG. *Assumption:* Funding for fiscal year 2022/2023 and future years is estimated based on a 3% annual increase.

Sections 5307, 5311, and 5339 provide a combined total of approximately **\$267 million** for the region through year 2042.

Federal Transit Administration Section 5310 (Enhanced Mobility)

This program was intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and Americans with Disabilities Act (ADA) complementary paratransit services. Funding estimates for fiscal year 2017/2018 is based on FTA apportionments as reported by StanCOG. *Assumption:* Funding for fiscal year 2018/2019 and future years is estimated based on a 3% annual increase. The region anticipates approximately **\$11.3 million** from these funds through year 2042.

Congestion Mitigation and Air Quality Improvement Program (CMAQ)

The CMAQ provides funding for projects and programs in air quality nonattainment areas for ozone, carbon monoxide (CO), and particulate matter (PM-10, PM-2.5) which reduce transportation-related emissions. Projects that reduce vehicle miles of travel (VMT), focus on non-auto modes, and were included in existing or proposed planning documents were the most successful in obtaining funding. Funding estimates for fiscal years 2017/2018 to 2019/2020 are based on federal apportionments as reported by StanCOG. *Assumption:* Funding for fiscal year 2020/2021 and future years is estimated based on a 2% average annual increase in CMAQ funding allocations over the most recent eight-year period (fiscal years 2011/2012 to 2019/2020). The region anticipates approximately **\$243.2 million** from these funds through year 2042.

Surface Transportation Block Grant Program (STBGP)

The STBG program provides flexible funding for projects on any Federal-Aid highway, bridges on public roads, transit capital projects, and intra-city and inter-city bus terminals and facilities on a formula basis. The revenue is based on the annual estimate of apportionments by FHWA and Caltrans and escalated at 3% per year. The region anticipates approximately **\$162.3 million** from these funds through year 2042.

Highway Safety Improvement Program (HSIP)

This program allows states to target funds to their most critical safety needs. StanCOG forecasts these funds by developing a four-year average of revenue to determine an annual average for their FTIP estimates through 2019/2020. Fiscal year 2020/2021 is estimated based on an average of the previous eight HSIP cycle funds (excluding cycle 3) allocated to Stanislaus County jurisdictions and then escalated by 3% per year. The region anticipates approximately **\$64 million** from these funds through year 2042.

Highway Bridge Program (HBP)

HBP provides for construction and maintenance of bridges that were not on the State Highway System, such as bridges on rural minor collectors and local roads. Funding estimates were provided by Caltrans through fiscal year 2019/2020. *Assumption:* Funding for fiscal year 2020/2021 is estimated based on an average of Caltrans HBP funding between fiscal years 2014/2015 and 2019/2020, and projected in future years based on a 3% escalation rate. The region anticipates approximately **\$39.1 million** from these funds through year 2042.

Railway-Highway Crossings (USC 130)

The focus of this program is to reduce the number of fatalities and injuries at public highway-rail grade crossings through the elimination of hazards and/or the installation and upgrade of protective devices crossings. Fiscal year 2017/2018 funding is estimated based on the proportion of STBGP funds (1.2%) allocated to Stanislaus County jurisdictions of the total available funds for the state of California (\$15.7 million) and escalated by 3% per year. The region anticipates approximately **\$6.8 million** from these funds through year 2042.

High Priority Projects and Demo

No funds were estimated to be allocated to High Priority Projects and Demo.