

3. Financial Element: Investing in our Transportation System

Projects in the Regional Transportation Plan are constrained by available revenues. The Financial Element identifies the revenues that the Transportation Agency reasonably expects to be available to fund projects over the life of the plan. Actual revenues secured for transportation over the next twenty-two years will be dependent on variables such as the local, state and national economy, and the public’s willingness to approve additional revenues to maintain and improve our transportation infrastructure.

The Agency coordinated with AMBAG and regional transportation planning partners in the Monterey Bay area to develop a 22-year fund estimate of local, state and federal transportation revenues assumed to be available for transportation projects. The financial estimate identifies a total of approximately \$4.91 billion in projected funding for transportation projects in Monterey County through the 2040 horizon year of the plan, in current year dollars.

Figure 3-1 below summarizes the Financial Element by funding source. The fund estimate assumes that the primary burden for funding transportation improvements will fall to regions and localities. The most important source of existing funding is the gas tax that motorists pay when filling-up at the pump. Until Senate Bill 1 (Beall) was enacted in 2017, the gas tax in California had not been increased since 1994. Senate Bill 1, will double the amount of revenues local jurisdictions each receive from the state for their local street maintenance and rehabilitation needs. A large majority of the new revenues for cities will come out of the newly created Road Maintenance and Rehabilitation Account where cities will receive funding to fix their existing infrastructure. In addition to these funds, the passage of Measure X represents a critical new source of local funding that can be used to leverage State and federal grant opportunities. Measure X is anticipated to generate an estimated \$20 million annually for a total of \$600 million over thirty years through a retail transactions and use tax of a three-eighths’ of one-percent (3/8%). The revenue from the sales tax measure will be used to fund transportation safety and mobility projects in Monterey County.

Even with these fund sources, the Regional Transportation Plan assumes that new sources of funding are needed to fully fund transportation priorities identified in the plan.

Figure 3-1: **Transportation Funding by Source**

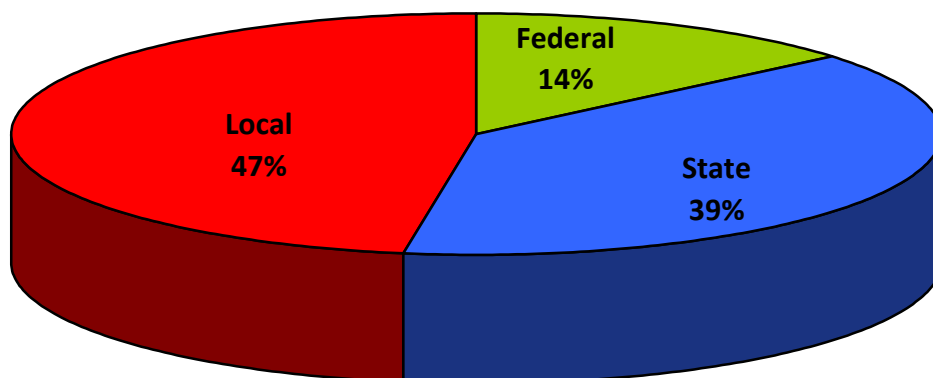


Figure 3-2 below summarizes the Financial Element by discretionary vs. dedicated revenues. The bulk of the funding available is considered dedicated to specific projects or types of projects, limiting the amount of flexibility available to the Agency to move funding to different types of projects. Dedicated funding includes sources such as the Monterey County Regional Development Impact Fee program and federal grants for public transit. Discretionary funds are eligible for allocation to a wider range of types of projects. State Transportation Improvement Program and Regional Surface Transportation Program funds are the largest source of discretionary funds allocated by the Agency.

Figure 3-2: **Funding by Discretionary and Dedicated Revenues**

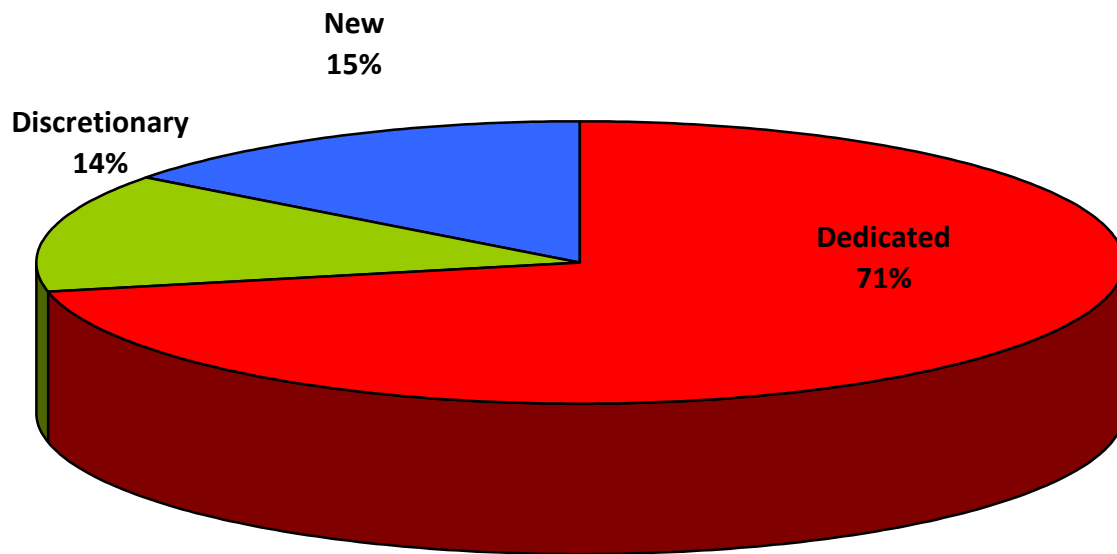


Figure 3-2 also identifies new revenues. This category represents new discretionary funding sources included in the financial estimate based on regional efforts to plan and secure these funds in the future. These new revenues are included to document the level of funding needed to deliver regional projects to achieve greenhouse gas targets and implement the Sustainable Communities Strategy. This approach is allowed by the Federal Highways Administration and has been used by other regional agencies in California to develop Regional Transportation Plans to comply with Senate Bill 375's requirement for meeting greenhouse gas emissions targets.

New revenues included in the 2018 Monterey County Regional Transportation Plan include a transportation sales tax measure, an update to the gas tax, and a toll to construct the State Route 156 West Corridor project (described in Chapter 4). Except for tolling for State Route 156, these new sources have been approved and implemented. More detail about the new funding sources included in the plan is provided below.

Local Transportation Sales Tax

The Regional Transportation Plan includes a new voter-approved local transportation sales tax, equivalent to three-eighths of a percent sales tax for regional transportation in Monterey County. The Transportation Safety & Investment Plan (Measure X) was recently approved by the voters of Monterey County.

Starting in May of 2015, the Transportation Agency engaged in a public outreach effort to inform the public about our transportation needs, funding challenges and the self-help option. The Transportation Agency for Monterey County placed the Transportation Safety & Investment Plan (Measure X) on the November 8, 2016 ballot and the measure was approved with 67.7% approval from Monterey County voters. The measure is anticipated to generate an estimated \$20 million annually for a total of \$600 million over thirty years through a retail transactions and use tax of a three-eighths' of one-percent (3/8%). The revenue from Measure X funds critical safety, mobility, and maintenance projects and programs in three categories:

- \$360 million (60%) to Local Road Maintenance, Pothole Repairs & Safety
- \$160 million (27%) to Regional Road Safety & Congestion Improvements
- \$80 million (13%) to Pedestrian & Bike Safety and Mobility Projects

State Route 156 Toll Revenues

Tolling revenues for State Route 156 West are included as a reasonably available revenue source for Monterey County. TAMC has been working closely with Caltrans to outline the tasks, activities and agreements necessary to consider tolling via a public-private partnership or public tolling authority as an option to fund construction of the State Route 156 West Corridor project. The agency completed a Level 2 Tolling Traffic and Revenue Study for State Route 156 in 2017 and a Supplemental Environmental Impact Report for the tolling aspect of the project is currently being conducted by Caltrans.

Activities required to implement tolling of the SR 156 West project include:

- Completion of a Supplemental Environmental Impact Report.
- Securing funding to cover the current funding shortfall (est. \$75 million to \$110 million).
- Securing required environmental and coastal permits.
- Completion of project design.
- Or, if a public-private option is selected:
 - State legislation re-authorizing Public-Private Partnerships.
 - Execution of a Pre-Development Agreement between Caltrans, TAMC and a private developer team in which the developer participates in project planning, value engineering, determining financial feasibility and other activities that take place before the construction procurement phase.
 - Completion of an investment-grade Traffic and Revenue Study, as other products needed to inform TAMC's decision to proceed with tolling for the project.

The fund estimate includes all transportation funds that the Agency reasonably expects to be available over the life of the plan to fund the transportation investments described in Chapter 4.

Table 3-1 below is a summary of the fund sources in the Financial Element. To comply with state and federal regulations, the fund estimate has also been escalated to future dollars using a flat rate assumed throughout the three-county AMBAG region to forecast project costs in year-of-expenditure dollars. The detailed 22-year fund estimate and funding source descriptions are in **Appendix B**. The fund estimate is consistent with the State Transportation Improvement Program fund estimate, the first five years of the Federal Transportation Improvement Program, and the Interregional Transportation Improvement Program, in accordance with state and federal planning requirements.

Table 3-1: **Transportation Revenue Sources**

Revenue Sources (all figures in 1,000's)	22 Year \$ current	22 Year \$ future
LOCAL REVENUE SOURCES	\$2,647,796	\$3,081,246
City Sales Taxes Used on Transportation	\$16,000	\$16,422
City/County Developer Fees	\$75,020	\$92,140
City/County General Funds for Transportation Projects	\$52,756	\$64,796
FORA CIP Fees & Presidio (Monterey County)	\$107,800	\$132,401
Gas Tax (Highway User Tax)	\$405,085	\$405,085
SB1 RMRA Local Gas Tax	\$282,794	\$282,794
CA General Fund Loan Repayment	\$2,640	\$2,640
Airport Revenues	\$24,439	\$30,016
Rail Line Lease Revenue	\$5,632	\$6,917
Regional Developer Fees	\$126,584	\$155,472
Transit Fares	\$191,966	\$235,775
Transit non-fare revenue	\$191,966	\$235,775
Measure Q Transit Sales Tax	\$221,925	\$272,571
Transportation Development Act/LTF	\$317,900	\$390,448
Vanpool Lease	\$0	\$0
2016 Transportation Sales Tax	\$440,000	\$540,413
Highway 156 Toll Revenues	\$185,288	\$217,578
REGIONAL REVENUE SOURCES	\$24,156	\$29,669
AB2766	\$24,156	\$29,669
STATE REVENUE SOURCES	\$1,555,458	\$1,883,352
Airport Improvement Program match	\$990	\$1,216
California Aid to Airports Program	\$660	\$811
Freeway Service Patrol	\$5,060	\$6,215
SAFE	\$8,316	\$10,214
SHOPP	\$681,666	\$837,230
RMRA SHOPP	\$406,560	\$499,342
State Transit Assistance (STA)	\$64,503	\$79,223

SB1 STA	\$61,345	\$75,344
STA SOGR	\$16,984	\$20,860
STIP - Interregional Share	\$0	\$0
STIP - Regional Share	\$137,895	\$150,734
Active Transportation Program	\$120,461	\$147,952
Low Carbon Transit Operations Program	\$8,690	\$10,673
SB1 Other Programs	\$22,000	\$22,000
Affordable Housing & Sustainable Communities	\$20,328	\$21,539
FEDERAL TRANSIT REVENUE SOURCES	\$295,803	\$374,885
Fixed Guideway Capital Investment Grants (5309)	\$15,000	\$30,000
Enhanced Mobility of Seniors and Individuals with Disabilities (5310)	\$9,081	\$11,153
State Planning (5304)	\$1,423	\$1,748
Metropolitan Planning (5303)	\$150	\$184
Rural Area Formula Program (5311)	\$32,626	\$40,072
Urbanized Area Formula Program (5307)	\$127,875	\$157,058
Small Transit Intensive Cities (5307c)	\$18,612	\$22,859
State of Good Repair Grants (5337)	\$16,500	\$20,265
Bus and Bus Facilities Formula Program (5339)	\$14,036	\$17,239
Bus and Bus Facilities Discretionary Program (5339b)	\$60,500	\$74,307
FEDERAL HIGHWAY REVENUE SOURCES	\$390,572	\$479,705
High Risk Rural Road (HR3)	\$7,529	\$9,247
Highway Bridge Program (HBP)	\$78,711	\$96,674
Highway Safety Improvement Program (HSIP)	\$68,794	\$84,494
Surface Transportation Block Grant	\$124,278	\$152,640
FEMA/CALEMA/ER - Emergency Road Repair Funding	\$37,087	\$45,550
FAA Airport Improvement Program (AIP)	\$74,173	\$91,100
GRAND TOTALS	\$4,913,784	\$5,848,856