



FINANCIAL INFORMATION

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The Alamo Area has done an incredible job of working together to seek new, innovative funding mechanisms to help advance needed transportation projects as soon as possible. This includes pursuing and securing several local funding options to better leverage federal funding dollars. As a financially constrained plan, the Metropolitan Transportation Plan includes projects which our region believes to be able to fund with available funding over the next 25 years. Following are the expected funding sources and how they are allocated within the plan.

Accomplishments Over the Past Five Years

Since the adoption of the Metropolitan Transportation Plan (MTP) in December 2014, several financial mechanisms, such as the additional \$10 Bexar County vehicle registration fee, Proposition 1, Proposition 7 and ending of diversion in state funding have been used successfully to advance construction projects.

In 2013, a \$10 per vehicle increase in the Bexar County vehicle registration was approved and in August 2013, the 83rd Texas Legislature approved SJR 1, a proposed Constitutional Amendment expected to provide \$1.4 billion for non-toll transportation projects by dedicating a portion of oil and gas severance taxes to this purpose. SJR 1 was overwhelmingly approved

by voters on November 4, 2014. The enabling legislation (HB 1) calls for the new funding to be allocated “consistent with existing formulas” adopted by TxDOT.

Background

Fiscal constraint remains a key component of transportation plan and program development since enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991 followed by the Transportation Equity Act for the 21st Century (TEA-21) in 1998, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) on August 10, 2005, Moving Ahead for Progress in the 21st Century Act (MAP-21), and the Fixing America’s Surface Transportation (FAST) Act.

The MPO generally uses the Texas Department of Transportation’s Unified Transportation Program (UTP) as a funding guideline for the first ten years of the MTP. While the UTP is neither a budget nor a guarantee of project funding, it is a critical tool for project planning. Beyond ten years, funding levels are extrapolated out to the MTP horizon year. No new funding sources have been included in this funding analysis; the MPO makes no assumptions about new funding sources in the development of this Plan and so this plan is a rather conservative one.

Project Implementation Goals

The following project financing goals support the vision of a workable, cost beneficial transportation system that efficiently serves area mobility and accessibility needs:

- Deliver the best projects for the region
- Ensure efficient use of financial resources
- Promote safety
- Preserve infrastructure assets
- Ensure a seamless multimodal transportation system
- Optimize system performance
- Leverage all available funding sources

Selected Funding Sources

Proposition 1

Proposition 1 (Prop 1), approved by voters on November 4, 2014, authorizes annual disbursements from the state's oil and gas production tax collections to the State Highway Fund if certain conditions are met. For Prop 1, the Joint Select Committee to Study the Balance of the Economic Stabilization Fund determines and adopts a sufficient balance of the Economic Stabilization Fund (also known as the Rainy Day Fund) in the month prior to the start of each legislative session. The first 25% of oil and gas severance tax deposits above the Rainy Day Fund sufficient balance are deposited into the state's General Revenue Fund. The remaining 75% of the severance tax is distributed evenly between the Rainy Day Fund and the State Highway Fund. The volatility of oil and gas production in the state creates difficulty in reliability projecting revenues. Prop 1 funding can only be used for construction, maintenance, rehabilitation, and acquiring right-of-way for non-toll, public roads.

Proposition 7

Proposition 7 (Prop 7) was approved by the voters on November 3, 2015. For FYs 2018 and 2019 Prop 7 allows for \$2.5B to be deposited into the State Highway Fund after an initial threshold of \$28B of sales and use tax is met. In future years the Prop 7 amount may increase. Also, beginning in FY 2020, 35% of the amount over \$5B of the Motor Vehicle Sales and Rental Tax will go into the State Highway Fund.

Transit Formula Funds (FTA Section 5307)

For transit projects, these revenues are provided directly to VIA Metropolitan Transi., through a funding formula. The program is also known as Section 5307 funds and come from federal gas taxes and the general fund. The funds are primarily for transit capital purchases such as buses and transit maintenance facilities and fund 80% of a total project's cost and require a 20% local match.

VIA Metropolitan Transit Sales Tax

A transit sales tax of ½ % is collected within VIA Metropolitan Transit's service area. The revenues from the sales tax are administered by VIA and support operation, maintenance and capital expenditures for transit.

Advanced Transportation District

Creation of an Advanced Transportation District and authorization of the imposition of a local sales and use tax for advanced transportation (Senate Bill 769) was enacted by the Texas Legislature during the 76th session in 1999. The Texas Legislature amended this legislation in 2003. Advanced transportation as defined in the legislation includes light rail, commuter rail, fixed guideways, traffic management systems, busways, bus lanes, technologically advanced

bus transit vehicles and systems, bus rapid transit vehicles and systems, passenger amenities, transit centers, stations, electronic transit-related information, fare, and operating systems, high occupancy vehicle lanes, traffic signal prioritization and coordination systems, monitoring systems, and other advanced transportation facilities, equipment, operations, systems, and services, including planning, feasibility studies, operations, and professional and other services in connection with such facilities, equipment, operations, systems, and services.

This legislation authorizes that the board of an authority in which the sales and use tax is imposed at a rate of one-half of one percent and in which the principal municipality has a population of more than 700,000 (VIA Metropolitan Transit) may order an election to create an advanced transportation district within the authority's boundaries and to impose a sales and use tax for advanced transportation under this subchapter. Locally, VIA ordered an election for November 2, 2004. Voters in Bexar County approved the sales tax increase at the rate of one-fourth of one percent. Half of the revenue generated from this sales tax is allocated to VIA Metropolitan Transit to fund transit projects, with the remainder equally divided between the City of San Antonio and the Texas Department of Transportation (Bexar County) to fund streets, roads and interstate projects.

Transit Discretionary Capital Funds (FTA Section 5309)

These funds are available for major new capital projects. The funding comes from federal gas taxes and the federal general fund. Transit service providers apply directly to the FTA for these funds to build a particular project.

Federal Transit Administration New Starts Program

The FTA's discretionary "New Starts" program is the Federal government's primary funding source for supporting locally planned, implemented, and operated transit guideway capital investments. Transit guideway capital investments include heavy rail, light rail, commuter rail, bus rapid transit systems and streetcars. The New Starts program has helped to make possible hundreds of new or extended transit fixed guideway systems across the country. These rail and bus investments, in turn, have improved the mobility of millions of Americans, have helped to reduce congestion and improve air quality in the areas they serve.

Surface Transportation Block Grant

Funds from the Surface Transportation Block Grant, formerly Surface Transportation Program – Metropolitan Mobility (STP-MM) program, are allocated by the MPO. The original source of these monies is primarily the federal gas tax and various truck taxes. Funds from this source are flexible and can be spent on various transportation projects.

Transportation Alternatives

The Transportation Alternatives (TA) is a funding program under the FAST Act that is an evolution of the previous Transportation Enhancement Program, Safe Routes to Schools and other programs. MPOs over 200,000 in population receive an allocation by formula. Projects undertaken with TA funds are eligible for reimbursement of up to 80% of allowable costs. The governmental entity nominating a project is responsible for the remaining cost share, including all cost overruns and project

Congestion Mitigation and Air Quality (CMAQ) Funding

The Congestion Mitigation and Air Quality Improvement program (CMAQ) was created in 1991 by the Federal Highway Administration and the Federal Transit Administration. The intent of the program is to help fund areas with poor air quality. Although not yet available to the MPO Study Area, CMAQ funding is a future potential revenue source. This funding is available to states for distribution to metropolitan areas in non-attainment of national ambient air quality standards.

Transportation Partners

San Antonio Mobility Coalition

An important partner in transportation is the San Antonio Mobility Coalition, Inc., more commonly referred to as SAMCo. Organized in December 2001 as a non-profit corporation, SAMCo's purpose is "to identify and advocate transportation and mobility solutions for the San Antonio Metropolitan area." Funding for this endeavor is provided by public agencies (Bexar County, City of San Antonio, VIA Metropolitan Transit) and private interests (area chambers of commerce, major San Antonio corporations, transportation construction and supply companies, real estate developers, consulting engineers, and other interested organizations). Examples of SAMCo's efforts include expressing the funding and mobility needs of the region to the greater San Antonio Legislative delegation. More information on SAMCo can be found at www.samcoinc.org.

Alamo Regional Mobility Authority

Approval of Proposition 15 (which established the Texas Mobility Fund) and passage of Texas Senate Bill 342 in 2001 allowed for the creation of Regional Mobility Authorities (RMA). On August 12, 2003, Bexar County Commissioners Court adopted a resolution supporting the formation of a RMA and authorized the County Judge to execute a petition to the Texas Transportation Commission to form the RMA. Bexar County formed the RMA in January 2004. Today, the Alamo RMA (ARMA) is overseen by a seven member board of directors and is a local transportation authority that can build, operate and maintain transportation projects including toll and managed lane facilities. Information specific to the Alamo Regional Mobility Authority can be found at www.alamorma.org.

Bexar County

Transportation improvement projects and funding for these projects (including highway and transit projects involving County financing or property) within the jurisdiction of Bexar County must be approved by Commissioners Court. The Public Works Division of the Bexar County Infrastructure Services Department has primary responsibility for administering transportation improvements for the County. The County Engineer administers the road funds for County projects.

Bexar County roadway maintenance and improvement projects are primarily budgeted through four dedicated funds: (1) Special Road and Bridge Fund, (2) Farm-to-Market and Lateral Road Fund, (3) Economic Capital Projects Fund, and (4) November 2003 Bond Referendum Fund.

City of San Antonio

In May 2017, voters in the City of San Antonio approved a bond program in the amount of \$xxx million for streets, bridges and sidewalks as well as drainage and flood control.

The revenue sources that contribute to the city's general fund are: (1) sales tax, (2) property tax, (3) CPS Energy, and (4) other fees. The City of San Antonio also receives a share of the revenues generated by the sales tax increase for the Advanced Transportation District. VIA Metropolitan Transit also contributes to the maintenance of the street system. Street reconstruction augments the street maintenance program, extending the life expectancy of city streets. This is inclusive of seal coat, rehabilitation, crack seal, asphalt overlay and base failure.

Other Local Funding Programs

Suburban cities and surrounding cities and counties may use local general funds, as well as dedicated road-building funds to match or complete regional transportation improvements. These funds rely on revenues from various sources including local sales and property taxes, fees, fines, bond levies, and private sector contributions including right-of-way dedication.

Additional Financing

In addition, new, "but reasonably expected to be available" funding sources can be explored as alternatives. New revenue sources usually require some degree of official action, (enabling legislation, referendum, or jurisdictional decision). In order to be considered a strategy for funding sources must ensure the availability of the new revenue in the years when the funds are needed for project development and implementation. Structures to administer new revenue sources may also need to be established if not already in place. New initiatives will continue to be considered during the process of developing the Financial Plan of the MTP Update. Financial planning is a dynamic process, and should always be adaptable to new

innovations as they are identified. In a tight economy, the challenge is finding creative ways to optimize and/or augment existing financing strategies.

Funding Gap

Reducing future traffic congestion and improving quality of life in the region will require continuation of innovative financing techniques that increase the funding amount that the area currently receives from traditional funding sources. In order to implement this plan, leaders in this region must explore various funding and project implementation strategies, including:

- Phase projects – with limited funds, search for ways to build critical sections of roadway with logical termini and not necessarily construct the ultimate build-out of a roadway in the near term. Additionally, local funding options have been pursued in previous state legislative sessions:
 - Develop new local revenue sources, such as a local gas tax or local sales tax such as the Advanced Transportation District
 - Raise the state gas tax or impose a region wide gas tax
 - Increase vehicle registration fees
 - Mileage based road user fee
 - Assessing traffic impact fees/systems development charges for new development (based on expected trips that will be generated by the development)
- Capture a larger portion of State and Federal transportation funding:
 - Pursue additional federal discretionary funding including FTA 5309 funding
 - Work with the Texas Transportation Commission to receive a larger portion of funding allocated at their discretion

And finally, increasing the use of Local Improvement Districts, Business Improvement Districts, Tax Increment Financing Districts and other special taxing districts can also increase the transportation funding levels for the region.