

MOBILITY 2050

AAMPO



FUNDING FORECAST

MOVING PEOPLE CONNECTING PLACES



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4. FUNDING FORECAST

Fiscal constraint in transportation planning means the agency developing a plan or program must demonstrate the ability to access sufficient funds to implement or institute the proposed projects and program listed in the plan or program. In other words, the plan must have a budget, with noted funding sources, to support the proposed improvements. Since the early 1990's with the enactment of the Intermodal Surface Transportation Efficiency Act (ISTEA), MPOs must create plans and programs (MTP and TIP) that are fiscally constrained. By applying this constraint, the agency must show funding sources are available, committed, or can access reasonably available funding sources. This approach forces project sponsors to develop more realistic projects lists and not a simple wish list of desired projects.

AAMPO 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, in this instance 2050. While additional funding opportunities are on the horizon, from federal resources and local initiatives, this plan does not include these funds as part of the current planning effort. The amounts coming from the IIJA are still unclear and VIA's sales tax increase is expected to be realized in 2026. The City of New Braunfels may see an increase of funding if the bond package is approved by voters in 2023. The same can be said for the City of San Antonio and the bond package going to voters in May 2022. Therefore, AAMPO makes no assumptions about new funding sources in the development of this Plan and no new funding sources have been included in this funding analysis.

It is important to note that while there are new and increased funding sources coming to the Alamo Area, it is unlikely funding will be able to address all the needs. With the area rapidly growing and more and more vehicles using the system, the needs become greater and source of available revenue are not keeping up with the need. This reality makes the work of AAMPO even more important. The agency will continue to encourage collaboration and the 3C approach between all area transportation partners and the private sector to pool and leverage resources for an improved regional network.

The Alamo Area has done an incredible job of working together to seek new, innovative funding mechanisms to help advance needed transportation projects. Efforts include pursuing and securing several local funding options to better leverage federal funding dollars. As a financially constrained plan, *Mobility 2050* (MTP) includes projects which the region believes to be able to implement with available funding over the next 20+ years. Below are the available funding sources and how they are allocated within the plan.

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

4.1 Fiscal Constraints

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 (coming in 2026)

Raise the state gas tax or impose a region wide gas tax

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

Explore the possibilities of what the IIJA will offer to MPOs and the State as additional revenue sources and programs come online.

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.

The roadway and transit funding levels are shown in Table 19 and 20.

Table 19: Roadway Funding Table

TxDOT Funding Category	FY 2023-2026 Programmed (TIP)	FY 2027-2050 Planned (Mobility 2050)	FY 2023-2031 Authorization	FY 2032-2050 Projection	FY 2023-2050 Total Projected	Unprogrammed Balance
1 - Preventative Maintenance ²	\$ 12,000,000	\$ 5,000,000	\$ 1,003,700,797	\$ 2,118,923,905	\$ 3,122,624,702	\$ 3,105,624,702
2 - Metro and Urban Corridor	\$ 453,602,593	\$ -	\$ 859,304,220	\$ 1,814,086,687	\$ 2,673,390,907	\$ 2,219,788,314
3 - Local Contribution	\$ 95,598,731	\$ 72,000,000	\$ -	\$ -	\$ -	\$ -
3 - Design-Build	\$ 296,000,000	\$ -	\$ -	\$ -	\$ -	\$ -
3 - Other Non-Traditional Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 - Statewide Connectivity	\$ 150,800,000	\$ -	\$ 395,279,941	\$ 834,479,875	\$ 1,229,759,816	\$ 1,078,959,816
5 - Congestion Mitigation and Air Quality (CMAQ)	\$ 130,326,714	\$ 11,728,000	\$ 206,960,134	\$ 436,915,838	\$ 643,875,972	\$ 501,821,258
6 - Bridge ²	\$ 36,700,000	\$ -	*Statewide			\$ -
7 - Surface Transportation Block Grant (STBG)	\$ 367,606,991	\$ 134,834,745	\$ 467,198,272	\$ 986,307,463	\$ 1,453,505,735	\$ 951,063,999
8 - Safety	\$ -	\$ -	*Statewide			\$ -
9 - Transportation Alternatives	\$ 22,164,777	\$ -	\$ 28,648,503	\$ 60,480,173	\$ 89,128,676	\$ 66,963,899
10 - Supplemental/Miscellaneous ²	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 - District Discretionary ³	\$ 500,000	\$ -	\$ 53,135,452	\$ 112,174,843	\$ 165,310,295	\$ 164,810,295
11 - Energy Sector	\$ 180,000,000	\$ -	\$ 85,674,321	\$ 180,868,011	\$ 266,542,332	\$ 86,542,332
12 - Strategic Priority	\$ 589,000,000	\$ -	*Statewide			\$ -
12 - Clear Lanes	\$ 219,300,000	\$ -	*Statewide			\$ -
12 - Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proposition 1/Proposition 7 ²	\$ -	\$ 5,449,010,568	\$ -	\$ -	\$ -	\$ -
State Preliminary Engineering (SBPE)	\$ 39,793,500	\$ 43,300,000	\$ -	\$ -	\$ -	\$ -
TxDOT Right-of-Way (S102)	\$ 81,905,333	\$ 4,200,000	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,675,298,639	\$ 5,720,073,313	\$ 3,099,901,640	\$ 6,544,236,796	\$ 9,644,138,436	\$ 8,175,574,616

Table 20: VIA Financial Projections

VIA Financial Projections (\$M)						
SOURCES	2022-2025	2026-2030	2031-2035	2036-2040	2041-2045*	Total
Operating Revenue	78.80	121.85	134.87	145.65	160.63	641.80
Sales Tax	929.14	1,630.66	1,998.35	2,431.31	2,958.09	9,947.55
Investment Income	4.84	8.88	17.09	30.29	52.39	113.49
Grant Funds	217.26	177.66	186.61	195.99	205.88	983.40
CoSA Contributions	40.00	0.00	0.00	0.00	0.00	40.00
Subtotal Operating	1,270.04	1,939.05	2,336.92	2,803.24	3,376.99	11,726.24
Grant \$ Used for Capital Projects:						
Section 5339	16.43	24.91	22.20	23.35	19.58	106.47
CIG Grant	97.93	60.15	0.00	0.00	0.00	158.08
VW Settlement	4.78	0.00	0.00	0.00	0.00	4.78
CMAQ	10.98	0.00	0.00	0.00	0.00	10.98
TCEQ	3.99	0.00	0.00	0.00	0.00	3.99
No-Low Grant	3.75	0.00	0.00	0.00	0.00	3.75
CARES Act Funds to VIA for Capital	0.00	0.00	0.00	0.00	0.00	0.00
Carryover - Pre-22 Projects	8.13	0.00	0.00	0.00	0.00	8.13
Subtotal Grants	145.99	85.06	22.20	23.35	19.58	296.18
TxDOT Reimbursement Funds for Capital	6.48	0.00	0.00	0.00	0.00	6.48
TxDOT Funds Advanced for Capital	33.62	0.00	0.00	0.00	0.00	33.62
Proceeds from Debt	27.87	347.77	165.62	127.28	228.29	896.83
Local Reserves	85.20	64.39	124.86	60.83	0.00	335.28
Total Sources	1,569.20	2,436.27	2,649.60	3,014.70	3,624.86	13,294.63
USES						
Vehicle Acquisition						
Revenue Vehicles	75.11	227.44	186.73	159.88	243.29	892.45
Non-Revenue Vehicles	3.29	2.74	3.03	3.34	3.69	16.09
Total Vehicles	78.40	230.18	189.76	163.22	246.98	908.54
Buildings and Equipment	300.47	318.80	87.84	97.00	107.09	911.20
Total Capital Expenditures	378.87	548.98	277.60	260.22	354.07	1,819.74
Operating Expenses						
Line Service	838.98	1,183.48	1,358.89	1,576.61	1,812.35	6,770.31
VIATrans Service	196.18	324.90	443.36	513.98	589.92	2,068.34
VIA Link	23.63	37.95	44.01	51.01	58.54	215.14
Additional MOD/Innovation Zones	0.00	85.23	124.04	146.79	172.25	528.31
2nd Maintenance Facility	0.00	37.29	54.26	64.21	76.00	231.76
Other	61.65	98.43	132.07	153.23	176.51	621.89
Total Operating Expenses	1,120.44	1,767.28	2,156.63	2,505.83	2,885.57	10,435.75
Debt Service	66.93	115.56	212.06	246.11	262.27	902.93
Debt Issuance Costs/Fees	1.26	4.45	3.31	2.54	4.58	16.14
Contributions to MyLink Program	1.70	0.00	0.00	0.00	0.00	1.70
Transfer to Reserves	0.00	0.00	0.00	0.00	118.37	118.37
Total Uses	1,569.20	2,436.27	2,649.60	3,014.70	3,624.86	13,294.63
*2046-2050 projections not available as these funding sources have not yet been confirmed.						

4.2 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 to be allocated 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 2020 and 2021 Prop 7 allows for \$5.2 billion to be deposited into the State Highway Fund after an initial threshold of \$28B of sales and use tax is met. 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 Transit, 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 and the Advanced Transportation District Sales Tax

In the 19070's, the Texas Legislature authorized the creation of metropolitan transit agencies (MTAs) and used the sales tax as the funding source. By law, MTAs can receive up to one cent of local sales tax revenue. Currently, VIA receives 5/8-cent of the local sales tax.

Creation of an Advanced Transportation District (ADT) 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. 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 the board of an authority, in this case 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. The sales and use tax is imposed at a rate of up to one-half of one percent and in which the principal municipality has a population of more than 700,000. VIA ordered an election to form the ATD on November 2, 2004. Voters in Bexar County approved the sales tax increase at the rate of a quarter-cent. 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 to fund streets, roads, transportation infrastructure, and interstate projects.

In November 2020, City of San Antonio voters approved a rededication of the local sales tax to increase the share going to the ATD. The increase of 1/8-cent will be dedicated to VIA and the revenues will be realized beginning in 2026. This is not a new tax nor it is an increase in the local sales tax rate, it is a rededication of an existing tax. This revenue is not factored into the financial forecast for this plan.

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 (STBG) 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. This funding is available to states for distribution to metropolitan areas in non-attainment of national ambient air quality standards. For AAMPO, CMAQ funds can only be used for projects in Bexar County that are not shown to cause further degradation to the area's air quality.

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 \$850 million for streets, bridges and sidewalks as well as drainage and flood control. In May 2022, voters again will be asked to approve a five-year bond program to finance up to \$471.557 million in streets, bridges and sidewalks and up to \$169.873 million in drainage and flood control improvements.

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. As the IIJA funding sources become clearer, AAMPO will work with planning partners to ensure these sources are capitalized on to the extent possible to get the largest share for the area.