

7.0 Financial Plan

Federal transportation legislation requires that the Framework Mobility Plan be financially constrained, which means that the plan must contain only the projects that are financially feasible. The development of the financially-constrained plan is accomplished in several steps, which include projecting both the expected revenues over the time frame of the plan and estimating the costs of the projects. These revenue projections and the project costs are required to be identified in year-of-expenditure (YOE) dollars, rather than in current dollars.

In order to project future funding for transportation projects in YOE dollars, the study team employed a methodology approved by both FHWA and GDOT. A revision of the 2030 LRTP to include the revenues and costs in the YOE dollars was required by federal legislation. In this effort, projects were assigned into one of three “cost bands” that corresponded to short-, mid-, and long-range planning periods. Appropriate inflation factors, supplied by GDOT, were applied to base year project cost estimates to develop an estimated implementation year cost for each project and work type. Finally, projects where funds were currently authorized and/or spent were removed from the funding analysis. The interim update, or the YOE update, formed the framework for the initial project lists of the Framework Mobility Plan.

The following sections outline how anticipated transportation funds were calculated and used to create project lists for the Framework Mobility Plan and the Total Mobility Plan.

7.1 Funding Projections

In order to develop the amount of funding available for projects for the Framework Mobility Plan, anticipated revenue from a number of sources was considered. The federal and state funds that are expected to be available to the CORE MPO for highway projects over the 25-year funding period are approximately \$1.27 billion. This amount includes funds that are dedicated by either federal or state legislation to certain facility types, such as the Interstate system, and other types of roadway facilities. Other revenue sources considered include the Chatham County Special Purpose Local Option Sales Tax (SPLOST), which is expected to yield approximately \$174.2 million. The total amount of these funds over the 25 year funding period equals approximately \$1.44 billion. Table 7.1 shows the details of the anticipated revenues and the funding source. In addition to these funds, it is anticipated that an additional \$103 million will be available to the CORE MPO for maintenance, based on historical data and trends provided by GDOT, Chatham County and the City of Savannah.

The additional revenue estimates also included those funds dedicated specifically to transit. It is anticipated that there will be approximately \$512 million available for the Chatham Area Transit (CAT) system.

Table 7.1 Framework Mobility Plan Base Year Highway Revenues

Funding Source	Amount
Federal and State	\$1,271,100,000
SPLOST	\$174,192,149
<i>Total Roadway Funds</i>	<i>\$1,445,242,149</i>

After finalizing the estimated revenues, several categories of targeted project expenditures were identified. These identified categories were based on those identified by GDOT, as well as those identified to address specific local needs and concerns. The first category is designated “Operational/Safety”, and is intended to provide funds that address smaller operational and safety issues. This category of funding includes \$25 million and will be used for these types of improvements as the need arises.

In addition to the Operational/Safety category, a second category designated “Non-Motorized” was identified based on existing plans, and the needs and priorities addressed through the participation process. Based on this input, approximately \$98.5 million was identified for non-motorized projects and improvements.

After the identification of these categorical amounts, the dedicated amounts were deducted from the anticipated total amount of project funds available. With these category deductions, the total highway project funds available are anticipated to be approximately \$1.3 billion. This total does not include the anticipated transit funding. The categories and totals are displayed in Table 7.2.

Table 7.2 Framework Mobility Plan Base Year Highway Funds Available

Project Category Expenditures	Amount
Operational/Safety	\$25,000,000
Non-Motorized	\$98,556,545
<i>Total Categories</i>	<i>\$123,556,545</i>
Total Funding	\$1,445,242,149
Total Funding Less Category Expenditures	\$123,556,545
<i>Total Project Funds Available</i>	<i>\$1,321,685,604</i>

7.2 Year-of-Expenditure Funding Projections

The following section discusses how transportation project costs were calculated based on the year-of-expenditure (YOE) of the projects.

7.2.1 General Assumptions and Procedures (Roadway Projects)

1. The federal/state anticipated revenues are based upon past trends for the CORE MPO as reported by GDOT. The CORE MPO has taken a conservative approach and assumes that only 85% of these estimated funds will be available through 2035, based upon uncertainties with obtaining future transportation funding. The local share of funding is based upon current

projections for the Chatham County SPLOST, which are substantially lower than projected in the 2030 LRTP. It is estimated that the revenues will be maintained at the projected levels and are assumed not to change in future planning periods; therefore, financial capacity is demonstrated based on total cost of federal, state and local dollars.

2. Projects whose construction phases have been authorized before June 2009 are not included in the Framework Mobility Plan.
3. The transportation enhancement (TE) projects have not been considered in the YOE effort since the TE funds are grant-based and not based upon expected or set levels of annual funding.

7.2.2 Roadway Project Cost Estimates (In YOE Dollars)

The following summarizes the methodology utilized to calculate the project cost estimates in YOE dollars.

1. The project phases of each Framework Mobility Plan project, which include Preliminary Engineering (PE), Right of Way acquisition (ROW), Utilities, and Construction (CST), were reviewed by RS&H and CORE MPO staff to determine which of three cost band periods best matched the priority and schedule of each phase. The cost band periods are presented and described below.¹
 - a. 2010-2015:
 - i. Coincides with GDOT's short-range planning period and the proposed FY 2010-2013 Transportation Improvement Program (TIP).
 - ii. Represents phases of projects scheduled to be completed in this time range using the best available data from GDOT or the CORE MPO.
 - iii. Includes project phase costs that reflect GDOT's most current project cost estimates. No inflation factor is applied to projects programmed in the TIP for years 2010-2015, since these projects are already inflation-adjusted by GDOT.
 - iv. If GDOT costs were not available, the new GDOT *Cost Estimation System Tool* was utilized to develop new project costs (including preliminary engineering, right of way, utility and construction cost estimates, as applicable).
 - b. 2016-2025
 - i. Incorporates either the GDOT-obtained cost estimates, or new estimates developed using the new GDOT *Cost Estimation System Tool* with the appropriate escalation inflation factor calculated for YOE 2020 (the midpoint of this time band).
 - c. 2026-2035
 - i. Incorporates either the GDOT-obtained cost estimates, or new estimates developed using the new GDOT *Cost Estimation System Tool* with the appropriate escalation inflation factor calculated for YOE 2030 (the midpoint of this time band).
2. If a project phase was authorized prior to the adoption of the Framework Mobility Plan, the project phase cost is not included in the plan. A matrix was developed to show the appropriate

¹ Projects that are currently in the construction phase are not included in the 2035 LRTP Financial Plan.

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project phases by time period, including details about phases already completed and/or authorized.

3. Funding source by project phase is not tracked; only the cost totals by phase (PE, ROW, Utilities and CST) are calculated, since project phase funding details are not tracked by GDOT.
4. Project costs are calculated in YOE dollars for each appropriate time period and the cumulative total through 2035.

7.3 Process for Developing the Financially-Constrained Framework Mobility Plan

The development of the financially-constrained project list used the 2030 LRTP and the interim YOE update as a basis, including a review of previous project priorities. Early in the development of the Framework Mobility Plan, it became evident that, due to increasing project costs since 2004 combined with a slight decrease in revenues, a number of projects included in the 2030 LRTP would need to be moved to the unfunded Vision Plan list and evaluated further in the Total Mobility Plan. A review of the current status of each project was conducted, as well as a review of previously identified project termini and descriptions. This effort was completed by members of the CORE MPO Technical Coordinating Committee (TCC). Projects that were determined to have a lower priority by the TCC were moved to the vision plan, while projects with substantial progress, such as right of way funding authorized or right of way acquisition already underway, were given a higher priority. Using this methodology, projects were reviewed and incorporated into the financially-constrained Framework Mobility Plan until the total estimated expenditures for the roadway category equaled the total estimated revenues. It should be noted again that existing federal and state regulations specify the types of projects that are eligible for certain funding categories, so money allocated to one category cannot simply be moved to fund another category of projects. For example, federal money identified for interstate improvements cannot be reassigned to transit projects, nor can transit funds be spent on other types of projects.

Table 7.4 provides a brief overview of the various federal transportation funding programs available to the CORE MPO region. Table 7.5 provides a brief overview of the various state and local transportation funding programs available to the CORE MPO region.

Table 7.3 Federal Funding Programs

Funding Category	Description
National Highway System (NHS)	Funding for improvements to rural and urban roads that are part of the NHS, including the Interstate Highway System and designated connections to major intermodal terminals/facilities. Under certain circumstances, NHS funds may be used to fund transit improvements in NHS corridors. <i>(Source: FHWA, SAFETEA-LU Fact Sheet)</i>
Surface Transportation Program (STP) Funds	Funds are generally used by States and localities for any roads, including National Highway System (NHS) roads that are not functionally classified as local or minor collectors. A portion of STP funds are suballocated to the CORE MPO from state and federal transportation agencies.
STP Set Aside for Transportation Enhancements	Funds may be used for any of the following activities: <ul style="list-style-type: none"> - Facilities for pedestrians and bicyclists - Provision of safety and educational items for pedestrians and bicyclists - Acquisition of easements for scenic or historic sites - Scenic or historic highway programs - Landscaping or other beautifications - Historic preservation

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Funding Category	Description
	<ul style="list-style-type: none"> - Rehabilitation/operation of historic transportation buildings, structures or facilities - Preservation of abandoned railroad corridors
Interstate Maintenance (IM)	Funds for resurfacing, restoration, and rehabilitation of the Interstate Highway System. These funds cannot be used for constructing new facilities or to add capacity to the existing interstate system
Bridge Replacement (BR)	Funds for the replacement, rehabilitation, or systematic preventive maintenance of substandard bridges both on and off the federal system.
Demonstration or High Priority Projects (HPP)	Congressionally authorized funds, or earmarks designated for specific projects.
Transit Programs	<ul style="list-style-type: none"> - Section 5307 Urbanized Area Formula Program; - Section 5309 Capital Investment Programs; - Section 5310 capital-only funding for the transportation needs of the elderly or individuals with disabilities; - Section 5316 Job Access and Reverse Commute Program; and - Section 5317 New Freedom Program.

Table 7.4 State and Local Funding Programs

Funding Category	Description
State Bonds	Revenues from State Bonds
State Motor Fuel Tax	26 cents per gallon (gasoline) (28.2 cent per gallon tax on diesel fuel) plus 4% state sales tax (1% goes to general fund) plus local option taxes on motor fuels. May not be used for transit projects.
State Aid	Includes Local Road Assistance Program (LARP) funding to local jurisdictions for resurfacing projects and State Aid funding; the amount of available State Aid funding has been drastically reduced over the past few years.
GATEway Grants	Funding for roadside enhancement and beautification projects along Georgia's roadsides.
Special Purpose Local Option Sales Tax (SPLOST)	An additional 1-cent sales tax levied by jurisdictions upon approval by public referendum. Typically, a portion of a local jurisdiction's SPLOST revenues are used to fund transportation improvements. A SPLOST program must include a specific list of projects to be completed using the revenues. SPLOSTs have been approved in Chatham County continuously since 1985.
Tax Allocation Districts (TADs)	Established for the purpose of promoting investment by financing certain redevelopment activities in underdeveloped or blighted areas using public dollars. There is one TAD in the CORE region (President Street corridor).

7.3.1. Funding Projections

Historic trends for the CORE MPO region were reviewed to help project future revenues for roadway transportation projects. Stakeholder agencies were also consulted as part of the determination of future available transportation funding. Table 7.6 presents a summary of revenues available to the CORE MPO region through year 2035 (in YOY).

Based upon the input received throughout the 2035 L RTP development process, several specific transportation funding categories, or set-asides, have been created to target funding to meet specific community needs. The first is a category for operational/safety improvements. The funds in this category are designated for traffic operation improvements (of minimal to moderate investment) at congested intersections across the region. The second category is designated to fund non-motorized improvements, such as bicycle, pedestrian and transportation amenities. The specific improvements within this category will build on the existing bicycle/pedestrian plan and will be further developed as part of the Volume 2 – Total Mobility Plan.

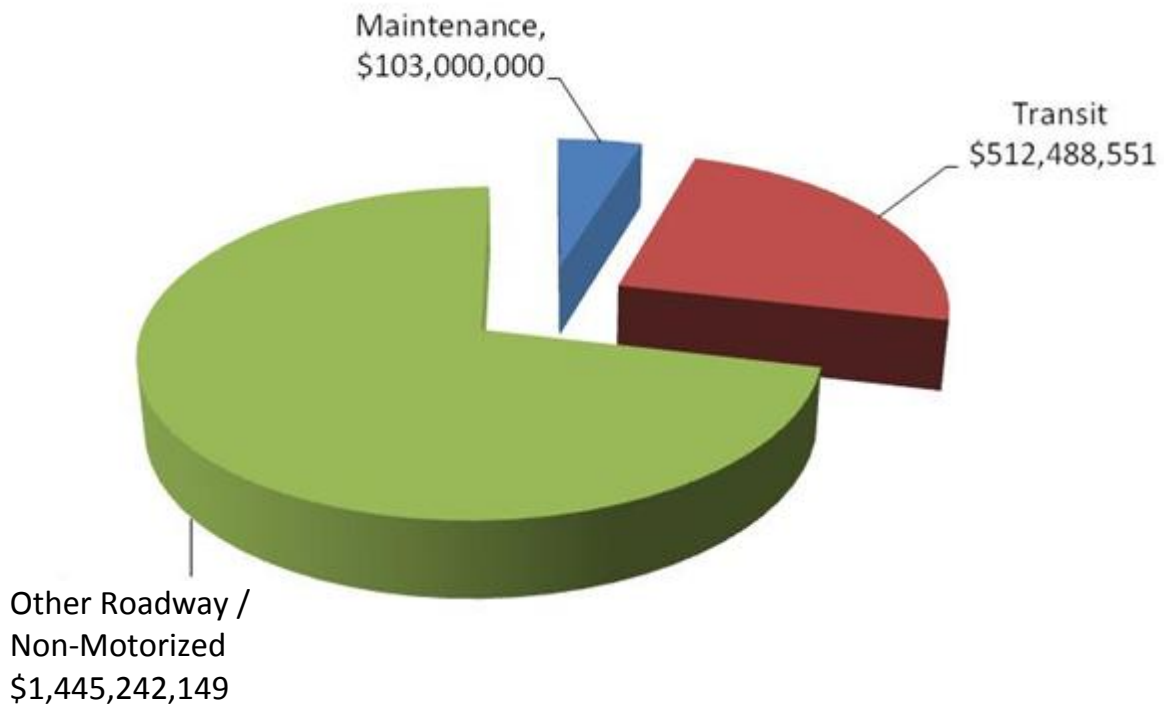
With the inclusion of the identified funding category set-asides, there is a total of about \$1.44 billion available for other projects, as shown in Table 7.6.

Table 7.5 Summary of Total Revenues for Roadway and Non-Motorized Improvements

Funding for Named Projects	\$1,321,685,604
Operational and Safety Set-aside	\$25,000,000
Non-Motorized Set-aside	\$98,556,545
Total Roadway and Non-Motorized Transportation Funding	\$1,445,242,149

In addition to the categories identified for specific types of projects, there is also a specific funding category for transit (approximately \$512 million), as well as an identified category for maintenance (approximately \$103 million). These two funding areas are separate from the total funding for roadway capacity improvements. The funding levels for improvements to the multimodal transportation system, transit and maintenance are shown in Figure 7.1.

Figure 7.1 CORE Connections Total Anticipated Fnding



The Other Roadway/Non-Motorized component, shown in green in Figure 7.1, can be further broken down into funding for specific types of projects and/or categories. Figure 7.2 shows the further breakdown of the Other Roadway/Non-Motorized component.

Figure 7.2 CORE Connections Other Roadway/Non-Motorized Anticipated Funding

