2040 Revenue Forecast and Guidance

Statewide Workshop

August 21, 2013

Today's Presentation

- Revenue Forecasting Process
- Statewide Forecast
- Metropolitan Area Estimates
- Other Revenue Sources
- Transportation Finance Tools

Revenue Forecasting Process

Objectives

- Link Planning, Programming and Finance
- Link State and MPO Processes
- Adopt Cost Feasible Plans
- Promote Consistency of Plans
  - ✓ State, Metropolitan and Local
  - ✓ Multimodal Elements
  - ✓ Revenue Estimates
  - ✓ Base and Horizon Years

Revenue Forecasting Process

State Planning, Programming and Finance:
From General to Specific

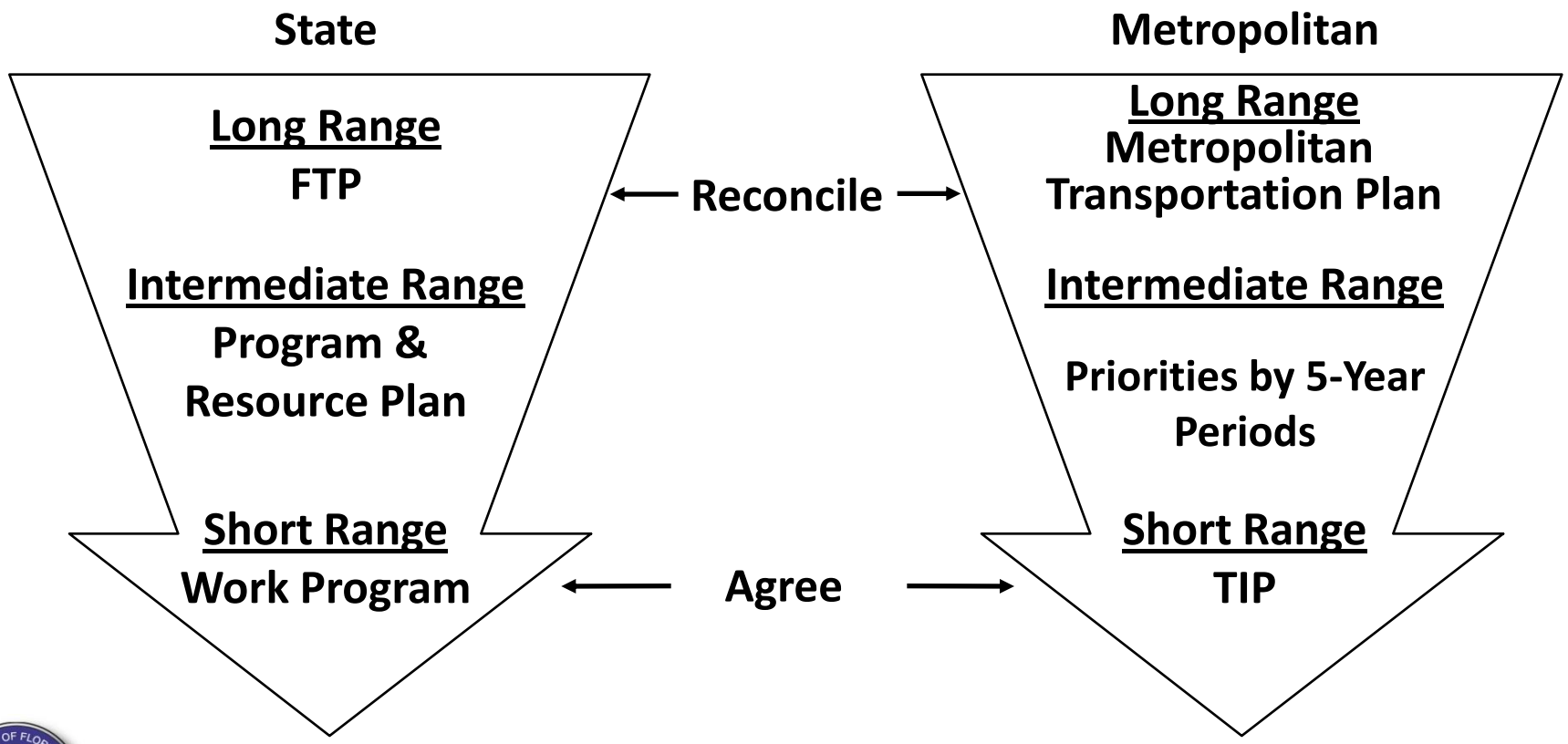
LONG RANGE
FTP
Programs: 14, Funds: 3

INTERMEDIATE RANGE
Program & Resource Plan
Programs: 63, Funds: 8

SHORT RANGE
Work Program
Programs: 119
Funds: 270+

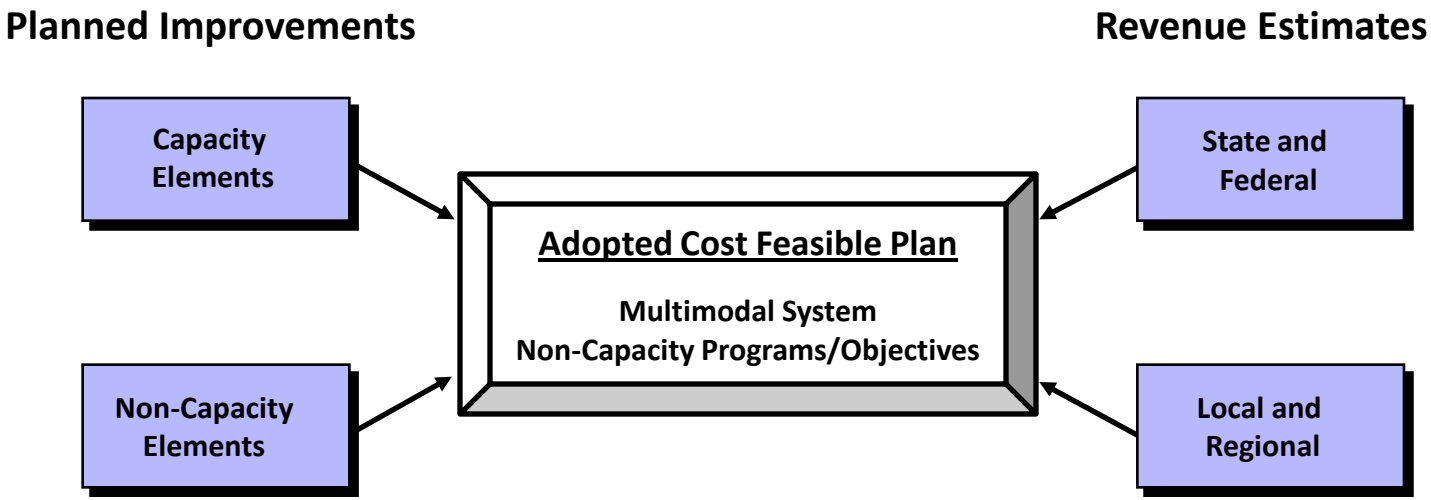
Revenue Forecasting Process

State and MPO Planning Processes: Compatibility of Plans



Revenue Forecasting Process

Cost Feasible Plans: Project and Financial Planning
Metropolitan Long Range Transportation Plan



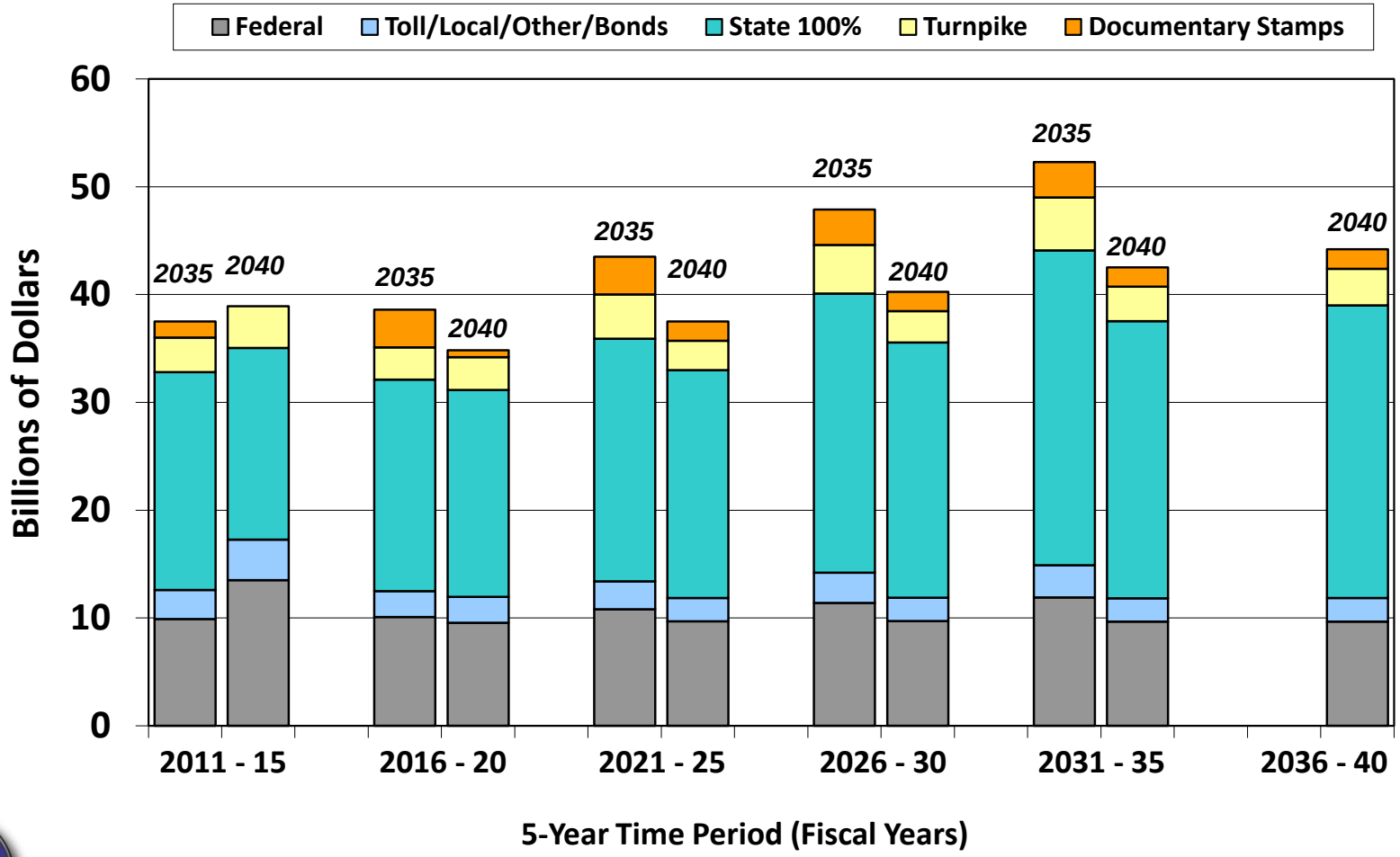
Statewide Forecast

Forecast Parameters

- 2014-2018 Tentative Work Program
- Laws and Policies as of March 1, 2013
- Year of Expenditure Dollars
- Generally, 5-year time periods

Statewide Forecast

2040 Revenue Forecast vs. 2035 Revenue Forecast



2035 Forecast: Documentary Stamps levels are funds not in a Work Program as of April 1, 2008
2040 Forecast: Documentary Stamps levels are funds not in a Work Program as of July 1, 2013

Statewide Forecast

Revenue Sources

- State and Federal Funds that “flow-through” Work Program
  - ✓ All Federal categories (matched with toll credits)
  - ✓ State taxes, fees, tolls, other sources
  - ✓ Turnpike bond sales, Turnpike tolls, and concession revenues

Statewide Forecast

Assumptions

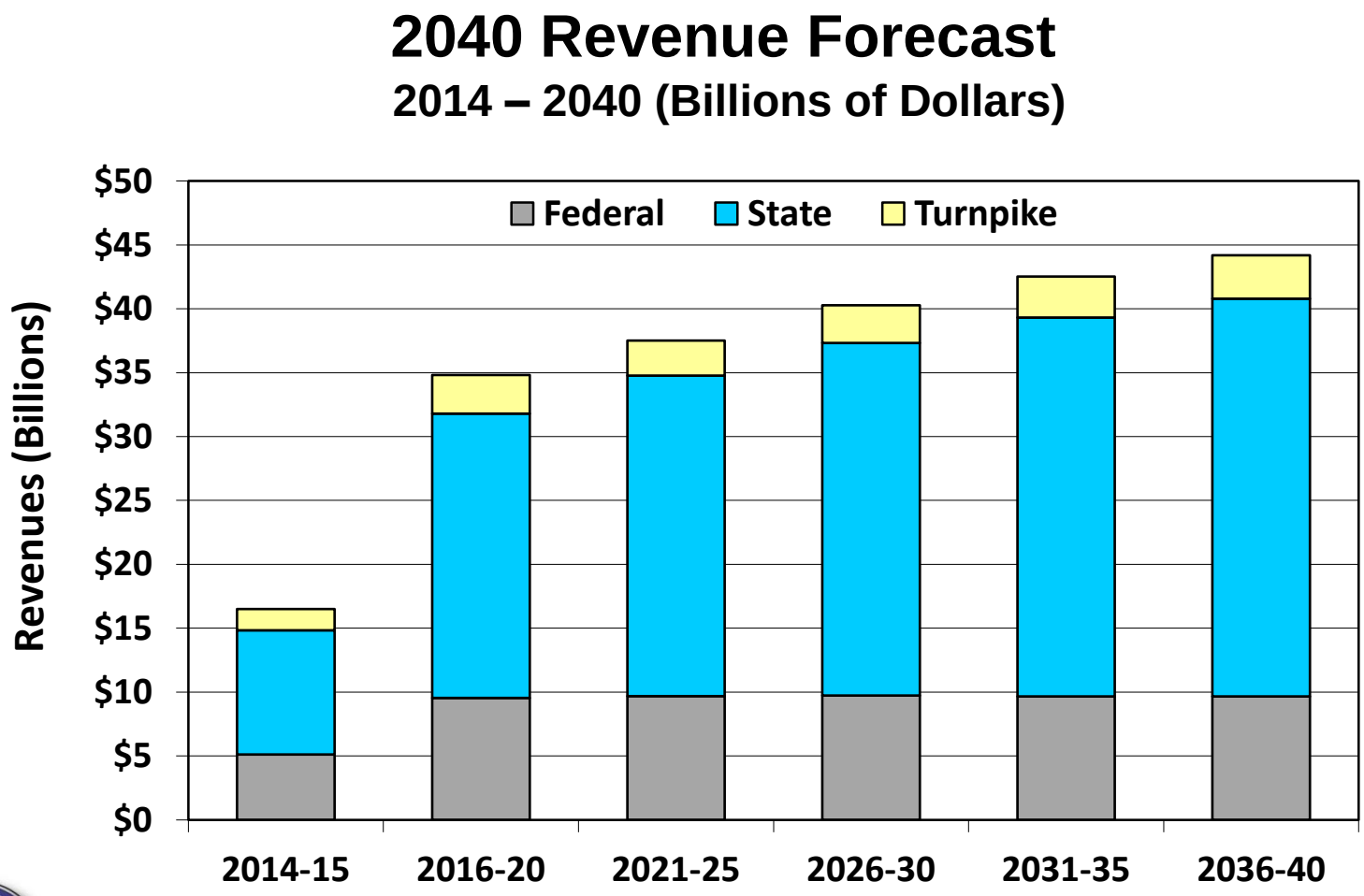
- Federal Sources
  - ✓ FDOT Federal Aid Forecast through 2021
  - ✓ 0.0% annual growth rate after 2021
- Turnpike
  - ✓ Revenue estimates based on existing & currently programmed projects and current debt cap
  - ✓ Tolls periodically adjusted for inflation

Statewide Forecast

Assumptions for State Sources

- Based on August 2012 Revenue Estimating Conference forecast through 2021
- Annual growth rates beginning in 2022
  - ✓ 2.54% for highway & off-highway fuel taxes, decreasing to 0.55% in 2040
  - ✓ 3.04% for tourism-driven tax sources, gradually decreasing to 2.86% in 2040
  - ✓ 2.28% for vehicle-related taxes, decreasing to 1.71% in 2040
  - ✓ $348.5 million annually from Documentary Stamps through 2040

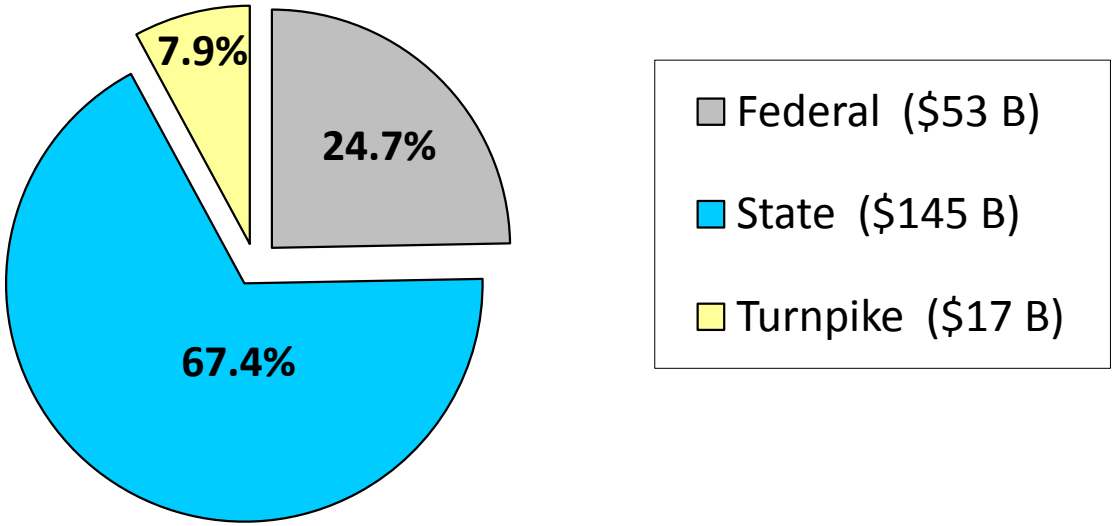
Statewide Forecast



Statewide Forecast

2040 Revenue Forecast

27 Year Total (2014 – 2040) = $216 Billion



Major Revenue Sources

Statewide Forecast

Statewide Program Estimates

- Reflects current law, goals, and policies
- Two Program Groups
  - ✓ Capacity Programs
  - ✓ Non-Capacity Programs
- “Other” Funding (debt service, etc.)

Statewide Forecast

Capacity Programs

<u>"Statewide"</u>

- SIS Highways Construction & ROW
- Statewide Public Transportation Programs (Aviation, Rail, Intermodal, Seaport Development)

<u>Other</u>

- Other Arterials Construction & ROW
- Transit

Statewide Forecast

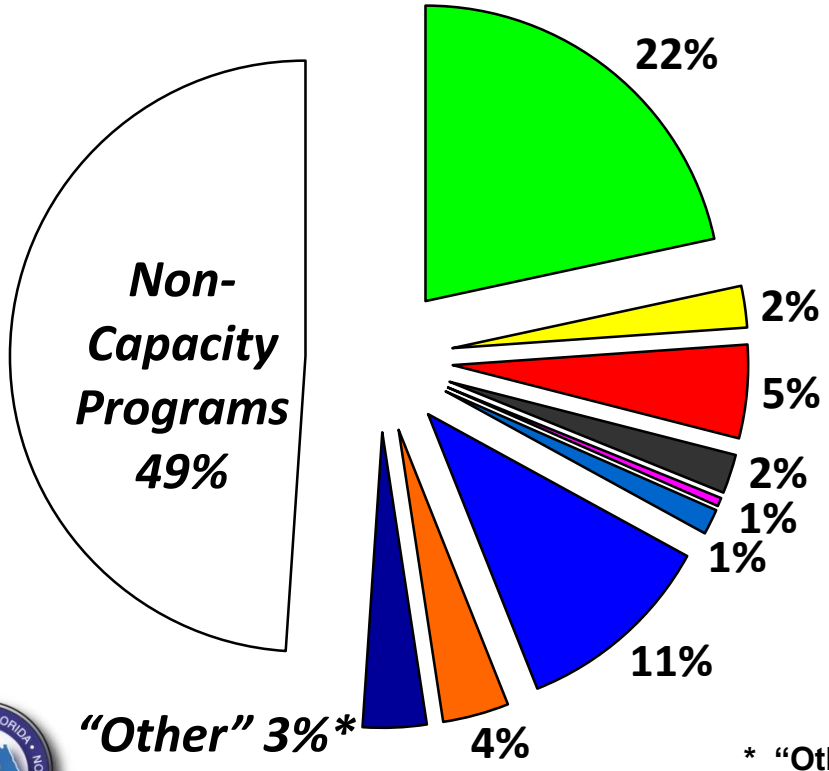
Non-Capacity Programs

- Safety
- Resurfacing
- Bridge
- Product Support
- Operations and Maintenance
- Administration

Statewide Forecast

2040 Revenue Forecast: Capacity Programs

FY 2014 – 2040, Billions of Dollars



Capacity Programs = $103 B (48%)

- SIS Construction & ROW ($46.6 B)
- Aviation ($4.9 B)
- Transit ($11.0 B)
- Rail ($4.6 B)
- Intermodal Access ($1.0 B)
- Seaports ($3.0 B)
- Other Arterials Construction & ROW ($23.7 B)
- Documentary Stamps Funds ($7.8 B)**

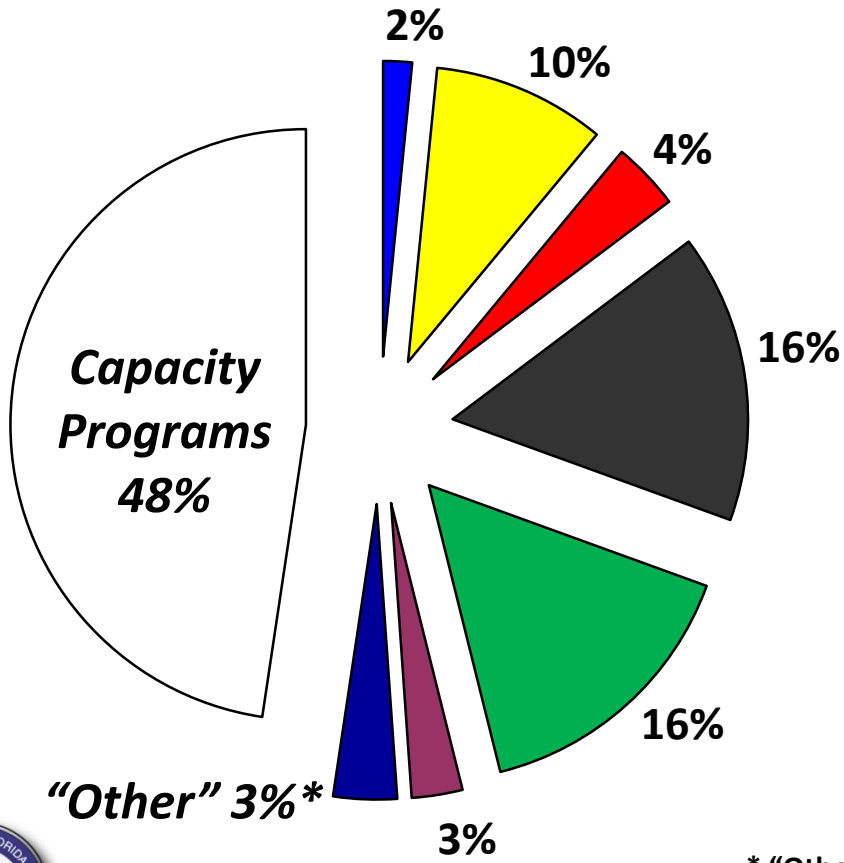
* "Other" is primarily Debt Service

** Documentary Stamps Funds not in Work Programs

Statewide Forecast

2040 Revenue Forecast: Non-Capacity Programs

FY 2014 – 2040, Billions of Dollars



Non-Capacity Programs = $106 B (49%)

- Safety ($3.4 B)
- Resurfacing ($20.4 B)
- Bridge ($8.0 B)
- Product Support ($34.1 B)
- Operations & Maintenance ($33.6 B)
- Administration ($6.0 B)

* "Other" is primarily Debt Service

Metropolitan Estimates

Using the 2040 Revenue Forecast

- Document: metropolitan estimates and how used
- 2014 Base Year
- Estimates for 2019-2040 (22 years); use TIP/Work Program for earlier years
- Should balance to fund estimates for total 22-year period; within 10% for each 5-year time periods
- Estimates for planning purposes, not a commitment

Metropolitan Estimates

Development of Estimates

"Statewide Programs"

- SIS Highways Construction & ROW – projects and estimates based on 2040 Cost Feasible Plan
- Aviation, Rail, Seaport Development, Intermodal Access – no projects beyond Work Program

Metropolitan Estimates

Development of Estimates

Other Programs

- Other Arterials Construction & ROW
  - ✓ Estimates for share of TMA (SU) funds and Transportation Alternatives (TA) funds “off the top”
  - ✓ Remainder based on Statutory Formula
- Transit based on Statutory Formula

Metropolitan Estimates

Using Metropolitan Estimates

- "Flexible" Funds
  - ✓ Other Arterials Construction & ROW
  - ✓ Transit
- Uses of Flexible Funds
  - ✓ State Highway System
  - ✓ Transit
  - ✓ Traffic Operations, TSM, ITS, etc.

Metropolitan Estimates

Using Metropolitan Estimates

- Other Arterials Construction & ROW
  - ✓ Reminder: doesn't include TMA or TA Funds
- Related guidance
  - ✓ TMA Funds estimates
  - ✓ TA Funds estimates
  - ✓ "Off-System" estimates
  - ✓ PD&E and Engineering Design estimates
  - ✓ Conversion of project costs in "PDC" dollars

Metropolitan Estimates

Using Metropolitan Estimates

- TMA Funds Estimates:
  - ✓ Review previous uses, policies for future uses
  - ✓ Consult with district
  - ✓ Determine, and document, uses of TMA Funds: Other Arterials, SIS, PD&E and Design, Transit, Resurfacing, etc.

Metropolitan Estimates

Using Metropolitan Estimates

- Transportation Alternatives Funds Estimates:
  - ✓ Projects/Programs eligible for TA Funds
  - ✓ “TALU” estimates for TMAs
  - ✓ Other TA Funds
    - “TALL” estimates for areas under 200,000 population
    - “TALT” estimates for any area
    - Treat as “Illustrative” projects
    - Consult with district

Metropolitan Estimates

Using Metropolitan Estimates

- "Off-System" Estimates:
  - ✓ Roads not on State Highway System
  - ✓ State funds: generally, not allowed by law
  - ✓ Federal funds:
    - TMAs:
      - All TMA funds
      - 10% of Other Arterial funds estimate
    - Non-TMAs: 15% of Other Arterials funds estimate

Metropolitan Estimates

Using Metropolitan Estimates

- PD&E and Design (i.e., “PE”) Estimates:
  - ✓ Include in Cost Feasible Plan
  - ✓ Part of Statewide Product Support (not estimated for MPOs)
  - ✓ Consider use of “PE” instead of “PD&E” and “Design”
  - ✓ Assume funding available for PE:
    - 22% of FDOT estimate for Other Arterials Construction & ROW (<u>Additional</u> funds, not included in other metropolitan estimates)
    - TMA Funds (<u>not</u> additional funds)
  - ✓ PE Project Cost: assume 20% of construction + ROW cost
  - ✓ Document derivation of available funding

Metropolitan Estimates

Using the Metropolitan Estimates

- PD&E and Design Estimates:
  - ✓ Special cases, if any: PE for projects not fully funded through construction in Cost Feasible Plan
    - May anticipate change in priorities and/or available funds
    - May help avoid related Plan Amendments
  - ✓ Potential funding sources (if not used for other projects):
    - 22% of FDOT estimate for Other Arterials Construction & ROW for 2031-2040
    - FDOT Other Arterials Construction & ROW estimates for 2031-40
    - TMA Funds
  - ✓ Document derivation of available funding and estimated full cost of the project

Metropolitan Estimates

Adjusting Project Cost Estimates to Year of Expenditure Dollars

Time Period for Planned Project or Project Phase Implementation	Multipliers to Convert Project Cost Estimates to YOE Dollars			
	Project Cost in 2013 PDC $	Project Cost in 2014 PDC $	Project Cost in 2015 PDC $	Project Cost in 2016 PDC $
2019-2020	1.21	1.17	1.14	1.11
2021-2025	1.35	1.31	1.27	1.24
2026-2030	1.59	1.54	1.50	1.42
2031-2040	2.03	1.97	1.91	1.86

Metropolitan Estimates

Using Metropolitan Estimates

- Transit
  - ✓ Project/program costs in Year of Expenditure dollars
  - ✓ Up to 40 percent of estimate can be used for Operating Assistance, if matched; consult with District
  - ✓ Estimates can be combined with Other Arterials

Metropolitan Estimates

TRIP Estimates

- Transportation Regional Incentive Program estimates – funds not included in Work Programs

- TRIP-funded projects in long range transportation plan
  - ✓ Include as “illustrative projects”
  - ✓ Status of regional transportation planning, including TRIP eligibility
  - ✓ Project description and costs
  - ✓ Assumed amount of TRIP funds
  - ✓ Assumed amount, source and likelihood of non-state funds

Metropolitan Estimates

New Starts Estimates

- New Starts Program Estimates – Statewide funds not included in Work Programs
- New Starts-funded projects in long range transportation plan
  - ✓ Include as “illustrative project”
  - ✓ Status of project, including federal actions
  - ✓ Project description and costs
  - ✓ Assumed amount of Statewide New Starts funds
  - ✓ Assumed amount, source and likelihood of non-state funds

Metropolitan Estimates

Non-Capacity Programs

- Programs to support and maintain State Highway System
  - ✓ No metropolitan estimates
  - ✓ District-wide estimates of State Highway System O & M
- Documented in "Appendix for Metropolitan Long Range Plan" prepared by FDOT
  - ✓ 2035 Revenue Forecast development
  - ✓ Metropolitan estimates for capacity programs
  - ✓ Statewide estimates / objectives for Non-Capacity programs
- MPO to include in LRTP documentation

Other Guidance

- Local and Regional revenue sources
  - ✓ Sources and development of estimates
  - ✓ *Local Government Financial Information Handbook*
  - ✓ *Florida's Tax Sources: A Primer*
- Appendix C: Transportation Finance Tools
  - ✓ State Infrastructure Bank (SIB)
  - ✓ Transportation Infrastructure Finance and Innovation Act (TIFIA)
  - ✓ Local Government Advance/Reimbursement Program
  - ✓ Tolling

2040 Revenue Forecast

For More Information

- http: //www.dot.state.fl.us/planning/revenueforecast/
  - ✓ 2040 Revenue Forecast Handbook, FDOT
  - ✓ Financial Guidelines for MPO 2040 Long Range Plans, MPOAC
  - ✓ Federal Strategies for Implementing Requirements for LRTP Update for the Florida MPOs, FHWA/FTA
- Supplement to Revenue Forecast Handbook
- Appendix for the Metropolitan Long Range Transportation Plan

2040 Revenue Forecast

Questions?