

# FINANCIAL ELEMENT

## Background

The Financial Element identifies the current and anticipated revenue sources and financing techniques available to fund the planned transportation investments described in the Action Element. The intent of the Financial Element is to define realistic transportation financial constraints and opportunities with current available data. Discussion will center on three main topics: current funding revenues, transportation expenditures, and potential funding sources for the future.

The purpose of the Financial Element is to:

- Identify financial forecasts for funding through BCAG
- Estimate the costs and revenues to implement the projects identified in the Action Element
- Identify funding shortfalls
- List the candidate projects if funding becomes available

## Financial Assumptions

This section describes anticipated revenues over the next 24 years. The cost estimates for implementing the projects identified in the RTP/SCS reflect “year of expenditure dollars” and consider account inflation rates. Also discussed is the potential for other revenue sources. To determine the level of available funding for each project mode and type, several assumptions were made. Assumptions regarding available funds are moderate and clearly identified. There are three primary funding sources for implementing the projects and programs included. These include federal, state, and local funds.

BCAG used current and past Regional Transportation Improvement Program and the Federal Transportation Improvement Program (documents) funding levels as a reference and to be consistent with the five-year STIP Fund Estimate adopted by the CTC for the 2016 cycle. Thus, it was assumed that state, federal, and local funding programs and levels would remain constant at current funding levels over the 24-year horizon.

All projects identified in the 2016 RTP/SCS are within the financial projections through the horizon of the plan. All projects are consistent with the Goals, Policies and Objectives identified in the Policy Element of the RTP/SCS.

## Current Funding Sources and Projected Revenues and Expenditures

### FEDERAL

Federal funds are used for all modes, including highways and transit projects. These funds normally require a non-federal match of between 11.47 – 20% for road projects, and up to 50% match for transit projects. However, in certain instances such as safety projects, they may not require a dollar match to fulfill its match obligation. In these cases,

the federal Toll Road Credit Program may be used to fulfill the local match requirement. BCAG utilizes this program to alleviate the local match burden to the local agencies. The federal HBP, CMAQ or earmark programs typically utilize toll credits to fulfill the match requirements.

**Fixing America’s Surface Transportation Act (FAST Act)**, or Public Law (P.L.) 114-94. The FAST Act was signed into law on December 4, 2015 and will expire on September 30, 2020 is the most recent federal transportation legislation. The FAST Act is the first federal law in over ten years to provide long-term funding certainty for surface transportation, after multiple extensions of the Moving Ahead for Progress in the 21st Century Act (MAP-21) which began on October 1, 2012 and originally was set to expire on September 31, 2014. The FAST Act built on the initiatives established in MAP-21, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the Transportation Equity Act for the 21st Century (TEA-21), and the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

Table 13-1  
Federal Funding Sources

| <b>Fund Source</b>                          | <b>Abbreviation</b> | <b>Primary Mode</b>   |
|---|---------------------|-----------------------|
| Regional Surface Transportation Program     | RSTP                | Streets (Local)       |
| Congestion Mitigation/Air Quality           | CMAQ                | Air Quality           |
| Active Transportation Program               | ATP                 | Bicycle & Pedestrian  |
| Federal Transit Administration Section 5307 | FTA 5307            | Urban transit         |
| Federal Transit Administration Section 5311 | FTA 5311            | Rural transit         |
| Federal Transit Administration Section 5309 | FTA 5309            | Discretionary transit |
| Federal Transit Administration Section 5310 | FTA 5310            | Discretionary transit |
| Highway Bridge Program                      | HBP                 | Bridges (Local)       |
| Highway Safety Improvement Program          | HSIP                | Streets (Local)       |
| Federal Airport Aviation Administration     | FAA                 | Aviation              |
|   |                     |                       |

**Surface Transportation Program (STP):** This funding pot guarantees counties 110% of their allocation under the old Federal Aid Urban/Federal Aid Secondary (FAU/FAS) program. These funds may be spent on streets and roads projects; however, jurisdictions may also use the funds for bikeway, pedestrian, transit, safety, ridesharing, traffic management, parking, environmental enhancements, and transportation control measure projects.

Counties with urbanized areas less than 200,000 are considered “rural” counties (such as Butte). As such, BCAG is eligible to exchange these federal dollars for state dollars to Caltrans. This process is known as “Regional STP Exchange”. The advantage to this fund exchange is that federal monies have more stringent requirements, including a 20% local match, while state monies do not require any local match. In total, Butte County can expect to receive approximately \$65 million in RSTP Exchange funds during the 24-year period of the Plan.

RSTP funds are apportioned back to each of the cities, town and county, generally for road maintenance. All RSTP funds exchanged for state only funds will be spent on any eligible use as allowed under Article XIX of the State Constitution.

Assuming constant-funding levels over the horizon of this plan, total-funding revenues expected through STP exchange amounts to roughly \$2.3 million per year. This money is expected to be allocated mainly to local streets and roads projects. This funding does not include separate “optional exchange” that is reserved specifically to the County in the amount of \$392,000 per year or roughly \$9.4 million for the 24 year period of the Plan. This amount remains constant.

**Congestion Mitigation and Air Quality Program (CMAQ):** The purpose of the CMAQ program is to fund transportation related projects to help improve the region’s air quality. The BCAG Board of Directors programs projects by approving or amending the Federal Transportation Improvement Program (FTIP). Projects are subject to “Timely Use of Funds” provisions identified in Assembly Bill 1012, Chaptered in 1999. CMAQ funds are made available for programming at the discretion of the BCAG Board of Directors based on programming capacity availability. Based on current estimates provided by Caltrans as part of the development of the 2017 FTIP, BCAG may expect to receive approximately \$2.2 million per year or roughly \$53 million through 2040.

All CMAQ funds received will be programmed throughout the nonattainment areas in Butte County. Due to the flexibility in programming CMAQ funds, BCAG has determined that a “lump sum” category for CMAQ projects be established for the RTP/SCS after the 4 year period of the FTIP. All projects must demonstrate a reduction in emissions for the respective non-attainment pollutant. Caltrans maintains a CMAQ website at: [http://www.dot.ca.gov/hq/transprog/federal/cmaq/Official\\_CMAQ\\_Web\\_Page.htm](http://www.dot.ca.gov/hq/transprog/federal/cmaq/Official_CMAQ_Web_Page.htm).

**Highway Bridge Program (HBP):** This funding provides for construction and maintenance of bridges. Depending on the size and scope of the project, the range of HBP funds is typically between \$500,000 and \$1,000,000, but may be more depending on the project. Based on feedback from the public works directors on which bridge projects are planned, Butte County can expect to receive approximately \$58 million over the horizon of the RTP/SCS. These funds are not apportioned. Local cities and county are required to prepare grant application packages to Caltrans for funding consideration. The County is the typical applicant with a very successful track record.

A list of specific HBP candidate projects has been included in the Action element of the RTP/SCS. Caltrans and FHWA ultimately decide whether or not a project is approved for HBP funding. Caltrans typically amends the HBP statewide list twice a year.

**Highway Safety Improvement Program (HSIP):** This program provides funds to correct safety problems on roadways in the Federal-aid system, as well as rural minor collectors and local roads. Projects are nominated for funding by local jurisdictions and selected by Caltrans. These funds are spent on local streets and roads. These are competitive grants in which a target of funds cannot be determined. However, the region has received an HSIP grant every couple of years. Currently within the timeframe of the FTIP, BCAG will be receiving \$4.5 million.

### **Federal Transit Administration**

The federal government provides financial assistance to transit operators throughout the country through the Federal Transit Act. There are various sections of the law under which funding is allocated based on purpose, type of transit service, and size of the community. There are three specific programs which Butte County typically receives grants from, they include:

**Section 5307:** Under this section, funds are provided on a formula basis for capital and operating expenses for small urban transit systems. BCAG currently receives funding from this program to support the urban area of Chico transit service on Butte Regional Transit, also known as B-Line. In fiscal year 2016/17, BCAG will be receiving approximately \$2.2 million to fund transit capital and operations. BCAG can expect to receive approximately \$53 million over the period of the RTP/SCS.

**Section 5311:** Under this section, funds are provided to non-urbanized transit systems. Funds are provided on a formula basis for capital and operating expenses. BCAG is the designated recipient of these funds as the operator of B-Line serving the non-urbanized areas of Butte County.

The fiscal year 2016/17 apportionments for Section 5311 funds were approximately \$651,000. During the horizon of the RTP/SCS, it is anticipated that Butte County can expect to receive approximately \$15.6 million for operating and capital expenses. Within the 5311 program, BCAG is now participating in the 5311(f) subset program for intercity

transit subsidies. This has resulted in obtaining \$268,000 for the 2016/17 fiscal year in new transit revenues. This figure is projected out to remain constant for \$4 million over the Plan period.

**Section 5310:** This program provides discretionary grants to private, non-profit organizations for capital expenses in transporting the elderly and disabled. Social service transportation providers in Butte County, such as the Work Training Center, regularly apply for and receive Section 5310 grants to purchase accessible vehicles. BCAG will also be applying for these funds for paratransit vehicles. While Caltrans administers the program, the approval is made by the California Transportation Commission. Projects for 5310 funds are required to be included in a Coordinated Human Services Transportation Plan. The estimate for the 24-year horizon of the plan is approximately \$5.7 million.

**Section 5310 “Expanded”:** MAP 21 consolidated various programs including the previous 5316 and 5317 programs (Jobs Access Reverse Commute and the New Freedom Programs) into the 5310 process. This “expanded” program will fund B-Lines’ expanded ADA paratransit service which funds the portion which is not required to be funded by B-Line. Above and beyond minimum required service is eligible for this fund source. In addition, Help Central’s “Butte 2-1-1” Call Center is a new recipient of these funds as well. Because the funds are not apportioned, an estimate based on past performance for the 24-year horizon of the plan is approximately \$6 million.

### **Federal Aviation Administration**

The Federal Aviation Administration allocates grant funds to Primary Commercial Service Airports on a formula, based on the number of passengers annually served. For small commercial service airports with less than 10,000 passengers per year, FAA grant funding is discretionary. Chico Municipal Airport is the primary commercial service airport. Between Chico and Oroville’s airport, Caltrans’s CIP has identified \$44.8 million between 2016 and 2024.

All FAA funds will be spent on eligible aviation projects. Specific projects can be found in the Aviation Chapter of the RTP/SCS.

## STATE

State funds are generated by license fees, truck fees, sales and fuel taxes, and other state apportioned funds.

Table 13-2  
State Funding Sources

| Fund Source                                      | Abbreviation | Primary Mode                    |
|--|--------------|---------------------------------|
| Interregional Improvement Program/STIP           | IIP          | State Highways – SR 70 Corridor |
| Regional Improvement Program/STIP                | RIP          | State Highways - Regional       |
| State Highways Operations and Protection Program | SHOPP        | State Highways – Safety/Rehab   |
| TDA: Local Transportation Fund                   | LTF          | Transit first, streets (Local)  |
| TDA: State Transit Assistance Fund               | STA          | Transit (100%)                  |
| State Fuel Tax                                   | Fuel Tax     | Streets (Local)                 |
| State Aeronautics                                | SA           | Aviation                        |
|  |              |                                 |

### **State Transportation Improvement Program (STIP)**

The STIP identifies all major transportation improvements for state highways and other programs by county. SB 45 consolidated several transportation funding programs into essentially two programs that make the STIP, a local discretionary pot (Regional Improvement Program-RIP) and the state discretionary pot (Interregional Improvement Program-IIP).

**Regional Improvement Program (RIP):** The regional improvement program funds are made available to the regional transportation planning agencies (BCAG), and make up 75% of the STIP. Regions have the discretion to select and program transportation improvement projects on state highways, local roads, and for transit, bike lanes, etc. within the region. Projects for RIP funding are identified in the Regional Transportation Improvement Program (RTIP document). The California Transportation Commission is required to adopt the entire regional program or reject it in its entirety.

The STIP projections prepared for the 2016 RTP are based on the 2014 & 2016 STIP Fund Estimate. BCAG has taken a conservative approach to identify what is realistic for the region. Over the next 24 years, Butte County can expect to have a programming capacity of approximately \$81 million. The 2016 STIP identified no new funding capacity for the region, however, the historical program has by cyclical in funding.

The specific list of financially constrained projects can be found in the Action Element – Highways and Local Streets and Roads. The majority of these funds are dedicated to the SR 70 Corridor south of Oroville.

**Interregional Improvement Program (IIP):** Caltrans has the discretion for programming “interregional” funds which constitute 25% of the STIP. Projects will focus on SR 70

Corridor in Butte County. These projects will primarily address safety as well as people and goods movement from region to region.

It is difficult to make an estimate of how much funding will be contributed to the state highways in Butte County because Caltrans districts are not provided with a “bid target”. In order to project Caltrans’ funding commitment in Butte County, BCAG looked at those projects that can realistically be jointly funded. Without committing, Caltrans has indicated that joint funding can be expected on the SR 70 corridor in Butte County. Assuming projects on the SR 70 corridor are jointly funded at 50%, Butte County can expect to program \$80 million in IIP funds. The specific SR 70 “segments” can be found in the Action Element of the RTP/SCS.

### **State Highway Operations and Protection Program (SHOPP)**

Biennially, Caltrans is required to prepare a State Highway Operations and Protection Program for expenditure of transportation funds for major capital improvements that are necessary to preserve and protect the state highway system. Projects included in the program are limited to capital improvements relative to maintenance, safety, and rehabilitation of state highways and bridges that do not add new traffic lanes to the system. Caltrans is required to review a draft of the proposed SHOPP program with the RTPAs prior to submitting the SHOPP to the California Transportation Commission for adoption. Projects can also include bridge replacement and seismic retrofitting. The current estimate for the SHOPP over the 24-year period is \$213 million. The 2017 FTIP has specifically identified projects for the 4 year period at \$61 million.

BCAG used the current adopted SHOPP and Caltrans’ 2010 year SHOPP plan to forecast what Butte County can expect to receive over the next 24 years. Beyond the 10-Year SHOPP, BCAG has developed a “lump sum” category. The adopted SHOPP can be found at:

<http://www.dot.ca.gov/hq/transprog/shopp.htm>.

### **Transportation Development Act (TDA)**

Passed in 1971, this legislation provides a regular, guaranteed source of funds for local transit. These funds are administered by the Regional Transportation Planning Agency (RTPA) and apportioned to jurisdictions on a per-capita basis. There are two funding programs provided under TDA:

**Local Transportation Fund (LTF):** ¼% of the 7% statewide sales tax is returned to the county in which it was generated for use in local transit. Under strict provisions of how the funds may be allocated and spent, the RTPA annually allocates these funds to jurisdictions for transit. The law also permits local agencies to use LTF on local streets and roads, provided that all unmet transit needs that are found reasonable to meet are funded. Each year, BCAG performs the annual unmet transit needs process with extensive public outreach.

For fiscal year 2016/17, Butte County is expected to received \$8.3 million in LTF funds. Projecting over the 24-year period, the total funding estimated to be available for LTF is \$223 million. LTF funds are apportioned back to the cities and county to fulfill their transit obligations. In some cases, local street and road improvements such as road maintenance or bike projects are also funded with LTF as allowed by TDA Statute once transit obligations have been fulfilled.

**State Transit Assistance (STA):** In the annual state budget process, additional transit funding may be made available. Under Section 99313, funding is apportioned to jurisdictions on a per capita basis, while Section 99314 funding is apportioned to transit operators based on farebox revenues.

Based on current funding levels of \$1 million for FY 2016/2017, the total estimate for the 24-year plan is \$24 million. The annual apportionments are assumed to remain constant with no significant increases. STA funding is specifically for transit purposes. Traditionally, Butte County Public Works has been “exchanging” their LTF for STA for the City of Biggs and Gridley to simplify their claim process and increase expenditure flexibilities for the smaller jurisdictions.

**B-Line Fare Revenues:** Current B-Line farebox revenues estimates for the 16/17 fiscal year are \$1.7 million. Over the next 24 years the total estimate is \$41 million.

### **California Aid to Airports Program (CAAP)**

**State Aeronautics Program:** Caltrans Division of Aeronautics have identified \$715,000 in match funds to federal FAA funded projects for the Oroville Municipal Airport. This list only identifies projects through 2024.

## **LOCAL**

### **Traffic Mitigation/Impact Fees**

This category includes the various types of local assessments on new development projects which, as a result of their construction, are expected to generate additional traffic. Criteria and location of impact areas are set by the local jurisdictions. Most jurisdictions employ some type of traffic or transportation impact fee. Fees may be assessed area-wide, only in target sections of the jurisdiction, on a project-by-project basis as dictated by project impacts, or a combination of these. Several impact fee programs are currently in effect in Butte County, including those covering the Chico Urban Area, the Thermalito area, and the West side of Paradise.

### **General Funds**

Local jurisdictions may choose to use general fund moneys to help finance transportation projects or services, including airport operations, or as local matching funds for

transportation grants. Because of the impacts of the recession and Proposition 13 on local government general fund budgets, this is neither a popular nor commonly used option.

### **State Fuel Tax**

The state fuel tax to local cities and county is derived from the State Controllers Report for Local Streets and Roads. The annual apportionment figure was projected out to the year 2035. These funds are typically used for road maintenance. The specific fund source sections include 2105, 2106, 2107 and 2107.5. The respective figures are included in the following Summary of Revenues by Agency tables. As a total, the local agencies are projected to receive \$300 million over the period of the Plan. Over the past 6 years, fuel tax has been in influx and unstable with the change of fuel prices.

### **Maintaining the Transportation System in Butte County**

The following table identifies the functional classification of the federal aid system in Butte County by total miles. Typically, gas tax revenue is used to operate and maintain the system. The following financial tables are revenues for which the local agency can use to operate and maintain the freeways, highway and transit system within the region. BCAG will refine its GIS system over the next couple of years to better capture the federal aid system and transportation investments made on it.

Based on the following table, the average cost to maintain a road off the state highway system is \$1.1 million. Butte County has 182.32 of state highways miles to maintain according to the 2006 California Public Road Data reported for the Highway Performance Monitoring System. Therefore, the cost to maintain the system could be as high as \$200 million. At the local level, BCAG surveyed the local Cities and County to develop an average cost per mile of \$200,000. The total cost to maintain the rest of the system is estimated at \$395 million for a total of \$595 million. The funding for the transit element identified in Chapter 7 as FTA fund are restricted to be used for operations and capital. Transit would be supported by FTA and the TDA funds identified.

Table 13-3  
Functional Classification for Federal Aid System

| <b>Rural Functional Classification</b> | <b>Miles</b>   | <b>Urban Functional Classification</b> | <b>Miles</b>  | <b>Total ALL</b> |                |
|--|----------------|--|---------------|------------------|----------------|
| Interstate                             | 0.00           | Interstate                             | 0             |                  |                |
| Other Principal Arterial               | 55.03          | Other Fwys & Expressways               | 12.04         |                  |                |
| Minor Arterial                         | 84.00          | Other Principal Arterial               | 53.94         |                  |                |
| Major Collector                        | 166.64         | Minor Arterial                         | 85.88         |                  |                |
| Minor Collector                        | 125.70         | Collector                              | 155.04        |                  |                |
| Local                                  | 961.43         | Local                                  | 456.04        |                  |                |
| <b>Total Rural Miles</b>               | <b>1392.80</b> | <b>Total Urban</b>                     | <b>762.94</b> |                  | <b>2155.74</b> |

Table 13-4  
Highway Performance Monitoring System  
Butte County Maintained Miles

| <b>Agency</b>            | <b>Rural</b>   | <b>Urban</b>  | <b>Total</b>    | <b>Estimated Cost to Maintain</b> |
|--------------------------|----------------|---------------|-----------------|-----------------------------------|
| Biggs                    | 10.90          | 0.00          | 10.90           | \$ 2,180,000                      |
| Chico                    | 4.53           | 194.68        | 199.21          | \$ 39,842,000                     |
| Gridley                  | 8.98           | 17.47         | 26.45           | \$ 5,290,000                      |
| Oroville                 | 2.28           | 72.92         | 75.20           | \$ 15,040,000                     |
| Paradise                 | 2.59           | 95.73         | 98.32           | \$ 19,664,000                     |
| Bureau of Indian Affairs | 8.00           | 0.00          | 8.00            | \$ 1,600,000                      |
| County Unincorporated    | 1,023.66       | 329.67        | 1353.33         | \$ 270,666,000                    |
| State Highway            | 129.84         | 52.48         | 182.32          | \$ 200,552,000                    |
| State Park Service       | 53.78          | 0.00          | 53.78           | \$ 10,756,000                     |
| US Forest Service        | 148.24         | 0.00          | 148.24          | \$ 29,648,000                     |
| <b>Totals</b>            | <b>1392.79</b> | <b>762.95</b> | <b>2,155.74</b> | <b>\$ 595,238,000</b>             |

Table 13-5  
Revenues by Agency Summary

| SOURCE                                    | BCAG                   |                 |                 |                 | TOTALS           |
|---|------------------------|-----------------|-----------------|-----------------|------------------|
|   | Group 1                | Group 2         | Group 3         | Group 4         |                  |
|   | 2                      | 2               | 10              | 10              |                  |
|   | 16/17 - 17/18          | 18/19 - 19/20   | 20/21 - 29/30   | 30/31 - 39/40   |                  |
| STIP - Regional Improvement Program (RIP) | 14,401                 | 2,230           | 30,843          | 34,270          | 81,744           |
| Caltrans IIP                              | 13,100                 |                 | 30,843          | 34,270          | 78,213           |
| Caltrans SHOPP                            | 40,296                 | 20,730          | 76,283          | 76,283          | 213,591          |
| TDA - LTF                                 | 900                    | 900             | 4,500           | 4,500           | 10,800           |
| <b>Totals</b>                             | <b>68,697</b>          | <b>23,860</b>   | <b>142,469</b>  | <b>149,323</b>  | <b>384,348</b>   |
|   |                        |                 |                 |                 |                  |
| SOURCE                                    | BUTTE REGIONAL TRANSIT |                 |                 |                 | TOTALS           |
|   | Group 1                | Group 2         | Group 3         | Group 4         |                  |
|   | 2                      | 2               | 10              | 10              |                  |
|   | 16/17 - 17/18          | 18/19 - 19/20   | 20/21 - 29/30   | 30/31 - 39/40   |                  |
| TDA - LTF                                 | \$2,260                | 2,260           | 11,300          | 11,300          | \$27,120         |
| TDA - STA or Fare Revenue (B-Line only)   | 3,329                  | 3,329           | 16,646          | 16,646          | \$39,949         |
| CMAQ                                      | 0                      | 3,500           | 22,237          | 22,237          | \$47,974         |
| FTA Sec. 5307 - BCAG/B-Line               | 4,472                  | 4,472           | 22,361          | 22,361          | \$53,667         |
| FTA Sec. 5311 BCAG/B-Line                 | 1,301                  | 1,301           | 6,507           | 6,507           | \$15,618         |
| FTA Sec. 5310 Various Non Profit Agencies | 910                    | 0               | 2,399           | 2,399           | \$5,708          |
| FTA 5311(f)                               | 536                    | 536             | 1,500           | 1,500           | \$4,072          |
| FTA - Sec 5309                            |                        |                 |                 |                 | \$0              |
| <b>Totals</b>                             | <b>\$12,809</b>        | <b>\$15,399</b> | <b>\$82,951</b> | <b>\$82,951</b> | <b>\$194,109</b> |
|   |                        |                 |                 |                 |                  |
| SOURCE                                    | BIGGS                  |                 |                 |                 | TOTALS           |
|   | Group 1                | Group 2         | Group 3         | Group 4         |                  |
|   | 2                      | 2               | 10              | 10              |                  |
|   | 16/17 - 17/18          | 18/19 - 19/20   | 20/21 - 29/30   | 30/31 - 39/40   |                  |
| State Fuel Tax                            | 117                    | 117             | 585             | 585             | 1,403            |
| TDA - LTF                                 | 130                    | 130             | 652             | 652             | 1,565            |
| RSTP "State Exchange                      | 29                     | 29              | 145             | 145             | 347              |
| CMAQ                                      | 160                    |                 |                 |                 | 160              |
| HBP - Highway Bridge Program              |                        |                 |                 |                 | 0                |
| HSIP - Highway Safety Improvement Program |                        |                 |                 |                 | 0                |
| Active Transportation Program (ATP)       | 809                    | 0               | 2,000           | 2,000           | 4,809            |
| <b>TOTALS</b>                             | <b>1,245</b>           | <b>276</b>      | <b>3,381</b>    | <b>3,381</b>    | <b>8,284</b>     |

Table 13-5 - Continued

| SOURCE  | CHICO         |               |               |               | TOTALS         |
|---|---------------|---------------|---------------|---------------|----------------|
|   | Group 1       | Group 2       | Group 3       | Group 4       |                |
|   | 2             | 2             | 10            | 10            |                |
|   | 16/17 - 17/18 | 18/19 - 19/20 | 20/21 - 29/30 | 30/31 - 39/40 |                |
| State Fuel Tax                                | 5,088         | 5,088         | 25,442        | 25,442        | 61,061         |
| TDA - LTF                                     | 6,348         | 6,348         | 31,741        | 31,741        | 76,177         |
| TDA - STA or Fare Revenue (B-Line only)       | 823           | 823           | 4,117         | 4,117         | 9,880          |
| State Aeronautics Program                     |               |               |               |               | -              |
| Local Funds                                   | 1,615         | 582           | 7,211         |               | 9,407          |
| RSTP "State Exchange                          | 1,737         | 1,737         | 8,687         | 8,687         | 20,849         |
| CMAQ  | 1,986         |               |               |               | 1,986          |
| HBP - Highway Bridge Program *                |               |               |               |               | -              |
| HSIP - Highway Safety Improvement Program*    |               |               |               |               | -              |
| Active Transportation Program (ATP)           | 800           | 2,000         | 8,000         | 8,000         | 18,800         |
| FAA   | 14,534        | 3,977         | 12,039        |               | 30,550         |
| <b>TOTALS</b>                                 | <b>32,932</b> | <b>20,556</b> | <b>97,237</b> | <b>77,987</b> | <b>228,712</b> |
| *HBP & HSIP are "Grouped" in County estimates |               |               |               |               |                |
|   |               |               |               |               |                |
| SOURCE  | GRIDLEY       |               |               |               | TOTALS         |
|   | Group 1       | Group 2       | Group 3       | Group 4       |                |
|   | 2             | 2             | 10            | 10            |                |
|   | 16/17 - 17/18 | 18/19 - 19/20 | 20/21 - 29/30 | 30/31 - 39/40 |                |
| State Fuel Tax                                | 403           | 403           | 2,013         | 2,013         | 4,830          |
| TDA - LTF                                     | 451           | 451           | 2,257         | 2,257         | 5,417          |
| Local Funds                                   |               |               |               |               | 0              |
| RSTP "State Exchange                          | 138           | 138           | 691           | 691           | 1,658          |
| CMAQ  | 500           |               |               |               | 500            |
| HBP - Highway Bridge Program *                |               |               |               |               | 0              |
| HSIP - Highway Safety Improvement Program*    |               |               |               |               | 0              |
| Active Transportation Program (ATP)           | 0             | 0             | 2,000         | 2,000         | 4,000          |
| <b>TOTALS</b>                                 | <b>1,492</b>  | <b>992</b>    | <b>6,961</b>  | <b>6,961</b>  | <b>16,406</b>  |
| *HBP & HSIP are "Grouped" in County estimates |               |               |               |               |                |
|   |               |               |               |               |                |
| SOURCE  | OROVILLE      |               |               |               | TOTALS         |
|   | Group 1       | Group 2       | Group 3       | Group 4       |                |
|   | 2             | 2             | 10            | 10            |                |
|   | 16/17 - 17/18 | 18/19 - 19/20 | 20/21 - 29/30 | 30/31 - 39/40 |                |
| State Fuel Tax                                | 938           | 938           | 4,692         | 4,692         | 11,261         |
| TDA - LTF                                     | 1,236         | 1,236         | 6,178         | 6,178         | 14,826         |
| TDA - STA or Fare Revenue (B-Line only)       | 160           | 160           | 801           | 801           | 1,923          |
| State Aeronautics Program                     | 71            | 83            | 562           |               | 715            |
| Local Funds                                   | 87            | 101           | 686           |               | 874            |
| RSTP "State Exchange                          | 372           | 372           | 1,862         | 1,862         | 4,468          |
| CMAQ  | 540           |               |               |               | 540            |
| HBP - Highway Bridge Program *                |               |               |               |               | 0              |
| HSIP - Highway Safety Improvement Program*    |               |               |               |               | 0              |
| Active Transportation Program (ATP)           | 0             | 0             | 2,000         | 2,000         | 4,000          |
| FAA   | 1,420         | 1,651         | 11,230        |               | 14,301         |
| <b>TOTALS</b>                                 | <b>4,824</b>  | <b>4,540</b>  | <b>28,010</b> | <b>15,532</b> | <b>52,908</b>  |
| *HBP & HSIP are "Grouped" in County estimates |               |               |               |               |                |

Table 13-5 - Continued

| SOURCE                                     | PARADISE      |               |               |               | TOTALS |
|--|---------------|---------------|---------------|---------------|--------|
|  | Group 1       | Group 2       | Group 3       | Group 4       |        |
|  | 2             | 2             | 10            | 10            |        |
|  | 16/17 - 17/18 | 18/19 - 19/20 | 20/21 - 29/30 | 30/31 - 39/40 |        |
| State Fuel Tax                             | 1,586         | 1,586         | 7,930         | 7,930         | 19,033 |
| TDA - LTF                                  | 1,744         | 1,744         | 8,721         | 8,721         | 20,930 |
| TDA - STA or Fare Revenue (B-Line only)    | 226           | 226           | 1,131         | 1,131         | 2,715  |
| Local Funds                                |               |               |               |               | 0      |
| RSTP "State Exchange                       | 596           | 596           | 2,978         | 2,978         | 7,147  |
| CMAQ                                       | 506           |               |               |               | 506    |
| HBP - Highway Bridge Program *             |               |               |               |               | 0      |
| HSIP - Highway Safety Improvement Program* |               |               |               |               | 0      |
| Active Transportation Program (ATP)        | 2,178         | 4,650         | 10,000        | 10,000        | 26,828 |
| TOTALS                                     | 6,836         | 8,802         | 30,760        | 30,760        | 77,158 |

\*HBP & HSIP are "Grouped" in County estimates

| SOURCE                                     | BUTTE COUNTY  |               |               |               | TOTALS  |
|--|---------------|---------------|---------------|---------------|---------|
|  | Group 1       | Group 2       | Group 3       | Group 4       |         |
|  | 2             | 2             | 10            | 10            |         |
|  | 16/17 - 17/18 | 18/19 - 19/20 | 20/21 - 29/30 | 30/31 - 39/40 |         |
| STIP - Regional Improvement Program (RIP)  | 1,499         |               |               |               | 1,499   |
| State Fuel Tax                             | 16,914        | 16,914        | 84,572        | 84,572        | 202,972 |
| TDA - LTF                                  | 5,510         | 5,510         | 27,552        | 27,552        | 66,125  |
| TDA - STA or Fare Revenue (B-Line only)    | 790           | 790           | 3,951         | 3,951         | 9,482   |
| Local Funds                                | 1,950         | 688           | 3,097         | 975           | 6,710   |
| RSTP "State Exchange                       | 2,564         | 2,564         | 12,818        | 12,818        | 30,763  |
| CMAQ                                       | 430           | 430           |               |               | 860     |
| HBP - Highway Bridge Program *             | 15,050        | 5,312         | 23,903        | 7,525         | 51,790  |
| HSIP - Highway Safety Improvement Program* | 1,307         |               |               |               | 1,307   |
| Active Transportation Program (ATP)        | 415           | 1,101         | 6,000         | 6,000         | 13,516  |
| TOTALS                                     | 46,430        | 33,310        | 161,893       | 143,393       | 385,024 |

\*HBP & HSIP may include other agency projects for region

Table 13-5 – Continued

| 2016 RTP/SCS FUNDING SOURCES              | TOTALS         |                |                |                |                  |
|---|----------------|----------------|----------------|----------------|------------------|
|   | Group 1        | Group 2        | Group 3        | Group 4        | TOTALS           |
|   | 2              | 2              | 10             | 10             |                  |
|   | 16/17 - 17/18  | 18/19 - 19/20  | 20/21 - 29/30  | 30/31 - 39/40  |                  |
| STIP - Regional Improvement Program (RIP) | 15,900         | 2,230          | 30,843         | 34,270         | 83,243           |
| Caltrans IIP                              | 13,100         | 0              | 30,843         | 34,270         | 78,213           |
| Caltrans SHOPP                            | 40,296         | 20,730         | 76,283         | 76,283         | 213,591          |
| State Fuel Tax                            | 25,047         | 25,047         | 125,233        | 125,233        | 300,560          |
| TDA - LTF                                 | 18,580         | 18,580         | 92,900         | 92,900         | 222,960          |
| TDA - STA or Fare Revenue (B-Line only)   | 5,329          | 5,329          | 26,646         | 26,646         | 63,949           |
| State Aeronautics Program                 | 71             | 83             | 562            | 0              | 715              |
| Local Funds                               | 3,652          | 1,371          | 10,994         | 975            | 16,991           |
| RSTP "State Exchange                      | 5,436          | 5,436          | 27,180         | 27,180         | 65,232           |
| CMAQ                                      | 4,122          | 3,930          | 22,237         | 22,237         | 52,526           |
| FTA Sec. 5307 - BCAG/B-Line               | 4,472          | 4,472          | 22,361         | 22,361         | 53,667           |
| FTA Sec. 5311 BCAG/B-Line                 | 1,301          | 1,301          | 6,507          | 6,507          | 15,618           |
| FTA Sec. 5310 Various Non Profit Agencies | 910            | 0              | 2,399          | 2,399          | 5,708            |
| FTA 5311(f)                               | 536            | 536            | 1,500          | 1,500          | 4,072            |
| FTA - Sec 5309                            |                |                |                |                | 0                |
| HBP - Highway Bridge Program              | 15,050         | 5,312          | 23,903         | 7,525          | 51,790           |
| HSIP - Highway Safety Improvement Program | 1,307          | 0              | 0              | 0              | 1,307            |
| Active Transportation Program (ATP)       | 4,202          | 7,751          | 30,000         | 30,000         | 71,953           |
| FAA                                       | 15,954         | 5,628          | 23,270         | 0              | 44,851           |
| <b>TOTALS</b>                             | <b>175,265</b> | <b>107,736</b> | <b>553,660</b> | <b>510,286</b> | <b>1,346,948</b> |

Table 13-6  
Unfunded Regional Projects Summary

**Unfunded Regional Priorities - Beyond Financial Constraints**

| Project  | Cost in Millions |
|--|------------------|
| SR 99 Corridor Projects - Add conituous auxiliary lane thru urbanized area of Chico. NB & SB | 100              |
| SR 99 Passing Lanes - Between Gridley and SR 149   | 80               |
| SR 99 Neal Road Interchange - Construct new interchange                                      | 30               |
| SR 70 Ophir Rd Interchange - Construct new interchange                                       | 30               |
| SR 70 Georgia Pacific Interchange - Construct new interchange                                | 30               |
| Skyway over Magalia Dam - Widen from 2 to 4 lanes  | 80               |
| Local Road Maintenance - Lump Sum for projects throughout the region                         | 100              |
| <b>Total Unfunded Regional Needs</b>   | <b>450</b>       |

**OTHER FUNDING SOURCES**

The following are examples of some methods of enhancing the revenues available for transportation.

**Resource and Farmland Transportation Incentive Fund**

Senate Bill 375 sites language (SCG) in Section 658080(b)(4)(C) indicating that *“The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall consider financial incentives for cities and counties that have resource areas or farmland, as defined in Section 65080.01, for the purposes of, for example, transportation investments for the preservation and safety of the city street or county road system and farm to market and interconnectivity transportation needs.*

*The metropolitan planning organization or county transportation agency, whichever entity is appropriate, shall also consider financial assistance for counties to address countywide service responsibilities in counties that contribute towards the greenhouse gas emission reduction targets by implementing policies for growth to occur within their cities.”*

While the above language indicates the MPO shall consider financial incentives, SB 375 does not identify a new source of funding to establish a financial incentive for those agencies that have policies in place to direct growth specifically to cities. Should a new source of funding occur and should local agencies have specific policies to direct growth

in the cities, thus protecting resource areas or farmlands, the MTP should be amended to identify the criteria and mechanism for the incentive.

### **Regional Impact Fee**

Growth and development pressures continue in Butte County. Planning an efficient and affordable transportation system to alleviate existing traffic congestion and support future development within the region will need a new revenue source. Leveraging regional funds for other state and federal funds such as the STIP has increasingly become more important.

Could regional development impact fees be used to finance regional facilities? Such a system could integrate infrastructure provision and tax policy to create equity both across jurisdictions and between the different levels of government.

There are examples of regional impact fees in California and Nevada. The cities of the Coachella Valley (Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio and Coachella) and Riverside County have collected impact fees on new development since 1986 to protect endangered wildlife. The fee is \$600 per acre. The Coachella Valley has also collected regional impact fees for transportation since 1988. This Transportation Uniform Mitigation Fee is tied to a ½ cent sales tax approved by voters. That proposition included a “return to source” concept, where the TUMF fees are to be split between the cities (35%), the region (40%), and regional transit (25%). Funding is revoked for cities in the region that do not require regional impact fees.

In Placer, Solano, Stanislaus, San Joaquin, and Yuba Counties, the county and some or all of the cities have instituted joint county facilities fees. The cities collect the fees and pass them on to the county, where they are used for new construction and expansion of regional facilities, including regional transportation, habitat preserves, and county facilities such as jails. The Regional Transportation Commission of Washoe County (Reno, Nevada) has the authority for regional transportation impact fees. Regional impact fees outside of Reno are about 15% higher than those inside the city. Inside Reno, regional transportation impact fees range from \$500/1,000 square feet for manufacturing, to \$3,700/1,000 square feet for large box retail.

### **Sales Tax Increase**

The State legislature has given local jurisdictions the ability to increase the retail transaction use tax, or sales tax, up to 1 percent, which can be earmarked for specific purposes. A majority vote is required on such an increase. A number of California counties, including Sacramento, San Francisco, Contra Costa, Santa Clara, Santa Cruz, Mendocino, and Lake Counties have voted to increase the sales tax by ½ percent to finance specific transportation improvements. In Sacramento County, this ½ percent sales tax is expected to raise \$920 million over 20 years. In 2007, 19 counties in

California have special transportation taxes. These counties are referred to as “Self-Help” Counties.

### **Fuel Tax Increase**

The State has raised the gas tax through the passage of Proposition 111. The tax will eventually rise to 18 cents per gallon. Similar to the retail transaction use tax, local counties can ask the voters for an increase in the motor vehicle fuel tax. Successful passage requires 2/3 approval by the voters.

### **Traffic Mitigation Fees**

Currently used in several areas of Butte County, traffic mitigation fees can be a means to fund roadway, transit, bicycle, and other improvements through assessment of trip-end fees on new development. A capital improvement program is developed based on needs established for future development. A per-trip fee is then calculated based on the total trip generation of new development.

Chico and Butte County use a similar system to fund transportation improvement needs in the Chico Urban Area. A fee is charged to each housing unit based on the land use density capacity at buildout divided into the transportation improvements required at buildout. This Street Facilities Fund then finances the improvements, as they are needed.

### **Air Quality Mitigation Fees**

Similar to traffic mitigation fees, air quality mitigation fees are assessed on new residential and commercial construction based on the amount of pollutants expected to be generated. The Tahoe Regional Planning Agency (TRPA) currently combines traffic and air quality mitigation fees based chiefly on the number of trips expected to be generated by a development, using one method to mitigate both the congestion and air quality degradation that may be expected as a result of additional vehicle trips. These fees are then claimed by jurisdictions for transit and roadway capital improvement programs.

### **Motor Vehicle Fee**

The State currently charges a fee on those who own and operate vehicles in the State of California, for registration and for licensing. Two special programs have been authorized to assess special fees on the motor vehicle tax; \$1 is assessed to fund freeway call box systems and up to \$4 is assessed for air quality programs. Counties are not currently authorized to impose a vehicle registration fee; enabling legislation would have to be enacted by the State legislature to allow such a program.

## **Parking Fee/Tax**

A parking fee is charged for vehicles to park in a particular space, and can be effectively used for on-or-off street parking. The fee could be linked with the transportation-system impact of persons using those parking spaces. A parking tax is a levy on the use of off-street commercial or employer provided parking spaces. The tax is typically collected as a percentage of the total parking charge paid by the motorist and forwarded to the agency (e.g. city) by the parking lot owner or operator.

Counties are not presently authorized to levy parking taxes; however, cities in California may implement a tax under their individual charters. In order for a county to levy a parking tax, state-enabling legislation would have to be passed. A 2/3 voter approval is then needed before such a tax could be implemented in a jurisdiction to be used specifically for transportation improvements.

In general, a parking fee would not provide as much revenue as parking taxes due to the need to directly link costs and benefits. A fee may not require a public vote but would need to be adopted by each of the city and town councils where it is implemented. The fee or tax, while raising additional funds, has secondary benefits for transportation systems. The imposition or increase of parking charges creates a disincentive to the use of single occupancy vehicle by increasing the cost of driving versus other forms of transportation. As a result, public transportation becomes a more attractive substitute for driving.

## **Joint Development**

Joint development describes an improvement that results from the cooperative efforts of a private company and public agency. Examples of joint development include the private development of a public facility, cooperative financing of public facilities, transfer of development rights, and density bonuses. The legal basis for joint development depends on the circumstances of the agreement. In general, however, the authority to require dedication of land or exactions as a condition of development derives from the agency's police power to protect public interests.

## **Peak Hour Congestion Pricing**

This is a fee charged to those using transportation facilities during the peak period. As a user charge, it is neither a tax nor a toll, and therefore not subject to state or federal tax restrictions.

Congestion pricing, while raising additional funds, has secondary benefits for transportation systems. The imposition of such charges creates a disincentive to the use of transportation systems during peak periods through increased cost. This provides financial motivation for transportation system users to spread their use to non-peak

hours. As a result, systems demand is more evenly distributed, thus creating greater efficiency of use.

### **Bond Measures**

Cities and counties may issue general obligation bonds payable through increased property taxes by a 2/3 majority vote of the general electorate. These bonds may be used to fund government services, such as transportation improvements.