

2035 LRTP and CTP Alternatives – Financial Information

Preliminary Costs and Revenues

The 2035 LRTP must be fiscally-constrained. This requirements means that the cost of the various highway, transit and other transportation facilities must be covered by the reasonably-expected state, federal, local and private transportation revenues. The Alternatives presented at this stage of the 2035 LRTP development process do not have to be fiscally-constrained because these are draft proposals that are used to analyze the performance of the various transportation facility types. Nonetheless, knowing the costs and revenues related to an Alternative will help inform us to where that particular Alternative stands in relation to being fiscally-constrained.

Therefore, preliminary costs and revenue estimates have been developed. It must be stressed that these figures are preliminary, and therefore could change significantly as the project details of the Preferred Option (i.e., final Alternative) are decided. Certainty in cost and revenue estimates for Alternatives is difficult because so many project details are unknown. For example, moving the implementation year of several fixed-route transit services, say five years, can change the system life cost by millions of dollars. Therefore, the costs and revenue presented at this point are to be used to get an idea of an order of magnitude presented for each Alternative.

The table on the next page presents the total costs and revenues for each Alternative, including a breakdown by highway and transit facilities, and shows the difference between the total cost and revenue.

Local Options Revenue Estimates

There are several options for raising revenue on a local basis, e.g., by county, that could be targeted to finance transportation projects. The tables on pages 3 and 4 present the estimated annual and 25-year total revenues for each option. The 25-year total assumes that the option would be implemented in the year 2011, and therefore produces 25 years of revenue from 2011 through 2035 (horizon year for the 2035 LRTP). These figures are illustrative and not intended to be final estimates for use in the 2035 LRTP. One of more of these options could be selected for further refinement and inclusion in the 2035 LRTP.

It is important to note that many of these revenue options would require enabling legislation from the North Carolina General Assembly, and those in which enabling legislation exists, i.e., Sales and Use Tax, and Real Estate Transfer Tax, require a local referendum for approval.

Page 5 shows the 25-year totals for the local options in a chart format.

Section 3 - Financial Plan

Preliminary Revenue Estimate					
	Comprehensive Trans. Plan	Intensive Highway	Intensive Fixed Guideway	Intensive Bus Transit	Moderate Multimodal
Highway Sources					
Highway Funding Programs	\$ 3,095,599,272	\$ 3,095,599,272	\$ 3,095,599,272	\$ 3,095,599,272	\$ 3,095,599,272
Other-CIP, private, etc.	\$ 237,000,000	\$ 237,000,000	\$ 237,000,000	\$ 237,000,000	\$ 237,000,000
Highway Trust Fund ("Loop")	\$ 621,959,553	\$ 621,959,553	\$ 498,845,607	\$ 498,845,607	\$ 621,959,553
Triangle Parkway (tolls & "gap" funding)	\$ 84,747,784	\$ 84,747,784	\$ 84,747,784	\$ 84,747,784	\$ 84,747,784
Total Highway Revenue (\$ Billions)	\$ 4.0	\$ 4.0	\$ 3.9	\$ 3.9	\$ 4.0
Transit Sources					
Transit Funding Programs	\$ 721,783,746	\$ 721,783,746	\$ 721,783,746	\$ 721,783,746	\$ 721,783,746
New Start (Fixed Guideway)	\$ 294,950,000	\$ -	\$ 294,950,000	\$ -	\$ -
Fares and Other	\$ 218,875,000	\$ 124,125,000	\$ 186,125,000	\$ 156,875,000	\$ 124,125,000
Total Transit Revenue (\$ Billions)	\$ 1.2	\$ 0.8	\$ 1.2	\$ 0.9	\$ 0.8
Total Highway and Transit Revenue (\$ Billions)	\$ 5.27	\$ 4.89	\$ 5.12	\$ 4.79	\$ 4.89
Preliminary Cost Estimate					
	Comprehensive Trans. Plan	Intensive Highway	Intensive Fixed Guideway	Intensive Bus Transit	Moderate Multimodal
Highway Costs					
Highway Capital & Maintenance	\$ 5,433,009,723	\$ 4,887,493,386	\$ 1,725,554,817	\$ 2,585,934,958	\$ 1,901,388,490
Bicycle, TDM, ITS, etc.	\$ 196,197,958	\$ 196,197,958	\$ 196,197,958	\$ 196,197,958	\$ 196,197,958
Total Highway Costs (\$ Billions)	\$ 5.6	\$ 5.1	\$ 1.9	\$ 2.8	\$ 2.1
Transit Costs					
Fixed Guideway (Capital and O&M)	\$ 1,569,800,000	\$ -	\$ 1,569,800,000	\$ -	\$ -
Bus Transit (Capital and O&M)	\$ 9,151,690,647	\$ 1,546,305,187	\$ 4,701,481,896	\$ 5,340,500,669	\$ 2,300,066,801
Total Transit Costs (\$ Billions)	\$ 10.7	\$ 1.5	\$ 6.3	\$ 5.3	\$ 2.3
Total Highway and Transit Costs (\$ Billions)	\$ 16.35	\$ 6.63	\$ 8.19	\$ 8.12	\$ 4.40
Difference (Revenue - Costs)	\$ (11.08)	\$ (1.74)	\$ (3.07)	\$ (3.33)	\$ 0.49
(Note: Negative values in parenthesis)					

Local Options Revenue Estimates Transportation and Infrastructure (values in \$millions)

(Source: Regional Transportation Alliance; updated January 10, 2008)

It is important to note that many of these revenue options would require enabling legislation from the North Carolina General Assembly, and those in which enabling legislation exists, i.e., Sales and Use Tax, and Real Estate Transfer Tax, require a local referendum for approval.

The RTA (Regional Transportation Alliance) is composed of businesses and chambers of commerce that promote solutions to transportation issues in the Triangle Region. The RTA compiles the data for these revenue estimates.

➤ Sales and Use Tax*

	<u>¼% sales tax**</u>	<u>½% sales tax</u>	<u>1% sales tax</u>
Durham:	\$9.3 m	\$18.5 m	\$37.0 m
Orange:	\$2.6 m	\$5.3 m	\$10.5 m
Chatham:	\$1.1 m	\$2.1 m	\$4.2 m
Revenue per year:	\$13.0 m	\$25.9 m	\$51.7 m
Revenue over 25 years: (2011 through 2035)	\$325.0 m	\$647.5 m	\$1,292.5 m

* The statewide Sales and Use Tax rate is currently 4.25%, with the addition of the local rate of 2.5%, there is an overall 6.75% Sales and Use Tax for Durham, Wake and Orange Counties.

** In 2007, the State Legislature authorized an additional Article 39 (point-of-sale-based) local option sales and use tax of ¼%.

➤ Motor Fuels Tax

	<u>1¢ / gal</u>	<u>5¢ / gal</u>	<u>11.9¢ / gal</u>
Durham:	\$1.2 m	\$5.9 m	\$14.2 m
Orange:	\$0.6 m	\$3.1 m	\$7.4 m
Chatham:	\$0.4 m	\$2.0 m	\$4.8 m
Revenue per year:	\$2.2 m	\$11.0 m	\$26.4 m
Revenue over 25 years:	\$55.0 m	\$275 m	\$660.0 m

➤ Vehicle Registration Fee*

	<u>(additional) \$20</u>
Durham:	\$3.8 m
Orange:	\$2.0 m
Chatham:	\$1.3 m
Revenue per year:	\$7.1 m
Revenue over 25 years:	\$177.5 m

* The current cost of vehicle registration renewal is \$20 plus a \$5 Triangle Transit Authority tax. Refer to GS 160A-613, 623-624.

➤ Rental Car Tax*

	<u>(additional) 5%</u>	<u>(additional) 10%</u>
3 County:	\$8.7 m	\$17.5 m
Revenue over 25 years:	\$217.5 m	\$437.5 m

* Revenue for future Triangle Transit fixed-guideway project(a) are based on a 5% car rental tax levied.

➤ Real Estate Property Tax

	<u>\$0.05 / \$100 (0.05%)</u>	<u>\$0.10 / \$100 (0.1%)</u>
Durham:	\$8.7 m	\$17.3 m
Orange:	\$5.5 m	\$10.9 m
Revenue per year:	\$14.2 m	\$28.2 m
Revenue over 25 years:	\$355 m	\$705 m

➤ Real Estate Transfer Tax

	<u>\$0.20 / \$100 (0.2%)*</u>	<u>\$0.40 / \$100 (0.4%)**</u>
Durham:	\$5.1 m	\$10.2 m
Orange:	\$2.0 m	\$4.1 m
Revenue per year:	\$7.1 m	\$14.3 m
Revenue over 25 years:	\$177.5 m	\$357.5 m

* The State of North Carolina currently levies a 0.2% tax on any real estate transfer.

** In 2007, the State Legislature authorized an additional 0.4% local option real estate transfer tax.

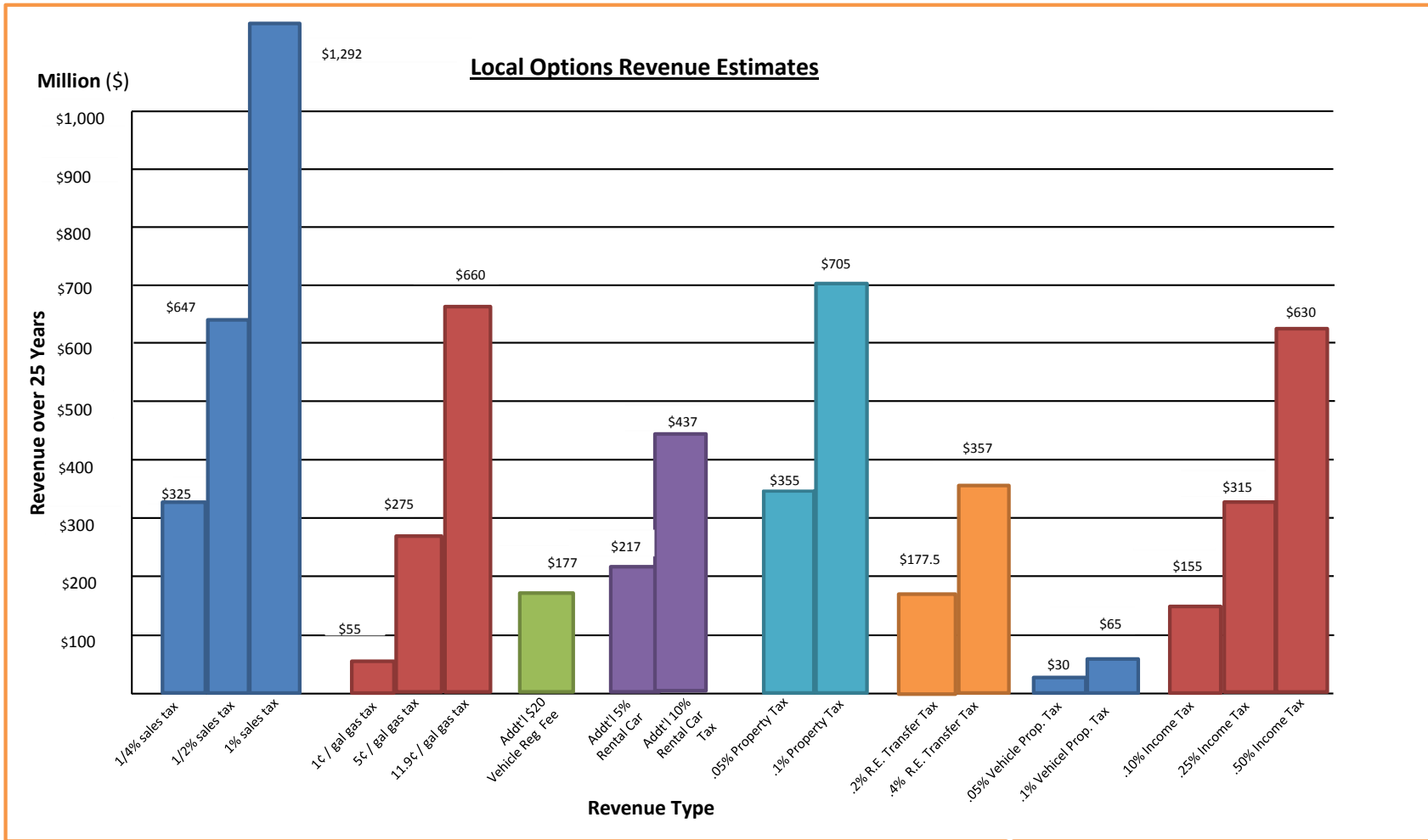
➤ Vehicle Property Tax

	<u>\$0.05 / \$100 (.05%)</u>	<u>\$0.10 / \$100 (0.1%)</u>
Durham:	\$0.8 m	\$1.7 m
Orange:	\$0.4 m	\$0.9 m
Revenue per year:	\$1.2 m	\$2.6 m
Revenue over 25 years:	\$30 m	\$65 m

* Personal/Vehicle property tax must be congruent with Real (Estate) property tax rates per Art. 5 of the NC Constitution

➤ Income Tax

	<u>0.10 %</u>	<u>0.25 %</u>	<u>0.50 %</u>
Durham:	\$3.6 m	\$7.4 m	\$14.8 m
Orange:	\$2.6 m	\$5.2 m	\$10.4 m
Revenue per year:	\$6.2 m	\$12.6 m	\$25.2 m
Revenue over 25 years:	\$155 m	\$315 m	\$630 m



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