

Getting there



with a connected region

2018 REGIONAL TRANSPORTATION PLAN UPDATE

RTP Finance Work Group

Revenue Forecast Objective

January, 2016

BACKGROUND

DEVELOPMENT OF THE RTP REVENUE FORECAST

Why a Revenue Forecast?

RTP financial planning takes a long-range look at how transportation investments are funded, and at the possible sources of funds. The RTP has a 20+ year planning horizon and must include a Financial Plan that estimates how much funding will be needed to implement recommended improvements, as well as operate and maintain the system as a whole, over the life of the plan.

The Financial Plan includes information on how Metro and governments in the region reasonably expect to fund the projects within the RTP including anticipated revenues from federal and state governments, regional and local sources, the private sector, and user charges. The RTP must demonstrate that there is a balance between the expected revenue sources for transportation investments and the estimated costs of the projects and programs adopted in the plan. The RTP must be fiscally (or financially) constrained to satisfy the requirements identified by 23 CFR §450.322, Development and Content of the Metropolitan Transportation Plan.

Role of the RTP Finance Work Group in Developing the Revenue Forecast:

Metro staff are participating in a statewide Long Range Funding Assumptions (LRFA) work group led by ODOT that will identify key federal and state funding assumptions and reasonably available Federal and State funds to assume in the 2018 RTP. Metro staff also will be working with cities, counties, TriMet, Smart and the Port of Portland to identify reasonably available funds, and potential new funding mechanisms to assume in the 2018 RTP. The RTP Finance Work Group will assist in the review of the identified funding assumptions and examine other funding possibilities that may be available. This work will result in a new financially constrained revenue forecast that meets federal requirements as well as a more aspirational “strategic” revenue forecast that meets the state requirements.

One key area the RTP Finance Work Group will focus on is **the identification of reasonable available local funds** that can be assumed in RTP Financially Constrained Revenue Forecast. The RTP Finance Work Group will need local agency assistance in identifying all possible local funds cities and counties have that will be committed to transportation projects. These identified

local funds will be a key part of the Financially Constrained Revenue Forecast. RTP Work Group member duties will include:

- a. Identifying and securing a history (5 years minimum if possible) of General Funds annually committed and budgeted to transportation projects by member agencies.
- b. Identifying other local fund sources (and if possible a 5-year history or more) that the cities and counties have committed to transportation improvement projects which could include the following:
 - o Special assessment fees/programs collected for transportation needs.
 - o Developer impact fees/programs collected for transportation needs.
 - o Special improvement district fees that are committed to transportation.
 - o Unique tax programs generating local funds for transportation improvement needs.
- c. Helping to determine if the local funds meet the reasonably available criteria based on the future economic conditions identified, or if local fund source methodologies need to be adjusted.
- d. Reviewing and assessing the State LRFA developed funding levels and methodologies.
- e. Examining and assessing additional revenue sources that could be included in the RTP Financially Constrained Revenue Forecast or a more aspirational RTP “Strategic” Revenue Forecast.

How Your Cities and Counties Can Help the RTP Finance Work Group:

The Finance Work Group needs assistance from cities and counties in the region:

1. Identify appropriate jurisdiction personnel (point of contacts) who can help us identify available transportation funds for their agency.
2. These personnel will ideally have working knowledge of their agency’s Capital Improvement Program (CIP), and have a basic understanding of the Federal transportation funding process.

TIMELINE AND KEY TASKS FOR DEVELOPMENT OF 2018 RTP FINANCE STRATEGY

Development of the RTP Revenue Forecast will primarily occur during the January through August 2016 timeframe. The goal is to have a complete draft RTP Revenue Forecast ready for review by September 2016.

January 2016	February 2016	February to May, 2016	May to August, 2016	September to December, 2016
GETTING STARTED	RTP FINANCE WORK GROUP	OBTAIN CIPS AND OTHER LOCAL FUNDING METHODOLOGIES	REFINE LOCAL FINANCIAL ASSUMPTIONS ALONG WITH STATE AND FEDERAL FUNDS	FINALIZE REVENUE FORECASTS AND FINANCIAL PLAN CONTENTS

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