



Financial Plan Technical Memorandum

Douglas County Comprehensive Transportation Plan

Prepared by:
Wilbur Smith Associates

November 2008



TABLE OF CONTENTS

Introduction	1
Funding Sources	1
Estimated Program Capital Costs.....	4

INTRODUCTION

To support the recommendations in the CTP, a complementary Financial Plan, estimating future expenditures and corresponding revenue, is necessary. Unfortunately, anticipated revenue from conventional resources is insufficient to meet future challenges. Innovative and comprehensive revenue sources must be uncovered to offer the County the opportunity to implement improvement options in the current environment of dramatically increasing costs and declining traditional revenue.

FUNDING SOURCES

Funding for transportation improvements including roadway operations and capacity, transit, bicycle and pedestrian projects can be assembled through traditional sources such as the Atlanta Regional Commission Transportation Improvement Program (TIP) process. The primary funding source for roadway, transit, bicycle and pedestrian projects, the TIP process, administered by ARC for member counties, allocates federal and state funding through the regional transportation planning process defined by SAFETEA-LU. Federal funding offers a significant opportunity for the County to afford major projects, however, a local funding source is required to generate the compulsory match.

Historic funding levels for Douglas County reveal a potential shortage of funds to implement projects required to address identified deficiencies and needs. The referendum to renew the SPLOST program failed leaving no dedicated source of revenue for meeting required match for intergovernmental transportation funding. Additionally, non-roadway projects compete with other transportation needs for a limited pool of federal, state and local funding. As a result, innovative funding strategies should be investigated to narrow the funding gap.

Potential funding sources available for transportation capital projects include:

- **National Highway System (NHS)** – Funding of major roadways, including the Interstate system, a large percentage of urban and rural principal arterials, the Strategic Highway Network (STRAHNET), and strategic highway connectors.
- **Recreational Trails (Rec Trails)** – Funding for the creation, rehabilitation, and maintenance of multiuse trails.
- **Georgia Department of Transportation (GDOT)** – Provides for significant state funding for various projects on and off the state route system.
- **Surface Transportation Program (STP)** – Funding for transportation improvements on routes functionally classified as urban collectors or higher. STP provides funds for projects related to improving quality of life, such as Livable Centers Initiatives (LCI) and Transportation Enhancements (TE).

- **High Priority Projects (HPP)** – Discretionary funding for specific projects (federal earmarks).
- **Congestion Mitigation and Air Quality (CMAQ)** - Funding for projects and programs in air quality nonattainment and maintenance areas for ozone, carbon monoxide (CO), and particulate matter (PM-10, PM-2.5) which reduce transportation related emissions. Examples of potentially eligible projects include transportation demand management, sidewalks and signal coordination.
- **Safe Routes to School** – Federal funds are available for pedestrian and bicycle projects within two miles of a school. These funds are distributed through GDOT and are available for grades kindergarten through eight. Funding can be assigned to each individual school by following the program's two steps. First, the school must develop a plan which includes a program for promoting bicycling and walking and any proposed infrastructure projects. Funding is available for up to \$10,000 per school (up to \$100,000 per system) to develop these plans. The second step is to implement the plan. Safe Routes to School funding is also available for this step. Infrastructure projects, which can be sidewalks, bicycle lanes or crosswalks, have a funding limit of \$500,000 while non-infrastructure projects, which can include publicity programs, activities and indirect costs, have a funding limit of \$10,000. GDOT is developing specific guidelines for the program through a special Safe Routes to School Office. The funding is limited to \$16 million through 2009; therefore, the application process will be highly competitive. The Safe Routes to School Office is expected to issue its first call for applications shortly.
- **Transportation Community Service Preservation Program (TCSP)** – Provides funds to establish greater connections with transportation, land use planning, business activities and environmental preservation.
- **Railway Crossing Safety Funds** – SAFETEA-LU authorized the Secretary of Transportation to allocate at least \$200 million for the elimination of hazards and the installation of protective devices at railway-highway crossings. For a relatively small geographically Georgia county, Douglas County has 26 rail-highway crossings only one of which is grade separated. As a result, Douglas County should receive a share of the slightly over \$8 million annually allocated to Georgia for railway crossing improvements.
- **Bridge Program Fund** – SAFETEA-LU authorized the Secretary of Transportation to allocate \$4.3 billion for the Bridge Program. With seventeen bridges of concern and twelve bridge projects delayed, Douglas County will be allocated a share of the \$54.5 million Georgia annual apportionment.
- **Federal Transit Administration (FTA) Programs** – Funding for planning, capital and operating assistance, major capital needs such as light or commuter rail system development, large bus or rail fleet purchases,

construction of transit facilities, passenger equipment for special needs, intercity bus programs, and state administration of projects of a transit nature. Specific FTA programs applicable to Douglas County include:

- Section 5311 – Provides transit assistance to rural areas for capital, operating and administrative costs.
- Section 5310, Elderly and Persons with Disability – Provides transit capital assistance through the state to private non-profit organizations and public bodies providing specialized transportation services to elderly and/or disabled persons.

Additional funding sources and opportunities offered by SAFETEA-LU include establishing public-private partnerships for implementing transportation facilities. Similarly, locally collected revenue sources used to fund transportation projects include Special Purpose Local Option Sales Tax (SPLOST) programs and General Fund monies. Historically, SPLOST funds produced approximately \$7 million per year for funding roads, streets and bridges. Without SPLOST funding local sources of transportation revenue are limited. Other, primarily local, funding opportunities and resources include:

- **Tax Allocation District** – A strategy for funding infrastructure projects in a limited area targeted for accelerated growth. A TAD finances infrastructure projects from the growth of property taxes based on new development and increased property values. Establishing a TAD and creating a plan for the district can spark redevelopment in the TAD area, which in turn serves to finance TAD bond funds. Funds can be spent on a number of projects in the TAD area, including transportation projects. Therefore, TAD planning promotes redevelopment while also helping to create a dedicated source of infrastructure funding for that area. New pedestrian and bicycle facilities and streetscapes are typical TAD projects, though TAD funds are often used for non-transportation infrastructure as well. TADs are an appropriate tool for financing some types of transportation projects, especially in connection with the denser redevelopment of a particular area such as an activity center.
- **Impact Fees** – Though the process for establishing them can be difficult, needed transportation projects may be funded by impact fees in Georgia. Impact fees are one-time fees charged in association with a new development and are designed to cover part of the cost of providing public facilities to support the development. The impact fee amount charged to a particular development must be directly tied to the amount of new infrastructure the development will require. Impact fees are often employed as a way to steer development into appropriate areas (those areas already best served by existing infrastructure). Impact fees must also be tied to a specific capital improvement program, so that it is clear which projects the impact fees will finance. In short, impact fees can be complex to develop and administer, but they are effective in tying financing for new transportation infrastructure to new development.

Imposed fees should be equitable, which means that the assessed fee should only reflect the development's fair share on new facilities and upgrades and should not be used to correct infrastructure deficiencies before the new development. The impact fee system should be legally defensible, practical to administer and incorporated into a community and budgetary process. Based on the existing facility inventory and analyses, an impact fee ordinance, relevant databases, and fee assessment formulas should be carefully developed. For local impact areas, the impact fee can be imposed based on either project-by-project negotiation or individual ordinances. For large projects, it is suggested that the county adopt consistent requirements with Georgia Department of Transportation (GDOT) and Georgia Department of Community Affairs (GDCA).

- **Community Improvement District** – A strategy for funding infrastructure projects in a limited area at the discretion of existing property interests. CIDs are essentially self-taxing areas, where property owners organize to raise funds to improve property values in the area. CIDs may organize to market an area, work to increase safety in that area, and collect and use funds for all types of transportation projects. CIDs are an innovative source of funding for transportation projects, but the scope of their activities is limited by property owner interests and a defined geographic area.
- **Transportation Management Associations** – TMAs bring public and private organizations together to tackle traffic congestion and air-quality issues that affect a specific area. One advantage is that TMAs give members a unified voice with which to address local government and transportation policies. TMA's work with local employers and property managers to educate, provide incentives and influence commuter behavior so that more sustainable modes of transportation are utilized for commuters traveling to and from work. TMA's use transportation demand management (TDM) strategies optimizing the movement of people, rather than motor vehicles. TMAs emphasize partnerships with local business interests while prioritizing public transit, ridesharing and non-motorized travel options for commuters.

ESTIMATED PROGRAM CAPITAL COSTS

Estimated project costs were determined using GDOT's Costing Tool, a methodology accepted by ARC's Congestion Mitigation Task Force. The tool uses the following unit prices when calculating the costs:

- New roadway, by lane mile - \$1,000,000
- Widen roadway, by lane mile - \$1,125,000
- Intersection upgrade, per intersection - \$650,000
- Bridge repair, standard bridge - \$600,000
- Sidewalk, per lane mile - \$320,000

- Multi-use trail, per mile - \$1,000,000
- Commercial right of way, per lane mile - \$900,000
- Residential right of way, per lane mile - \$ 168,000

The total estimated cost for the CTP's program of projects is \$952,346,700. Of this total cost, \$38,320,000 is for preliminary engineering (PE), \$305,154,000 for right of way (ROW), and \$608,872,700 for construction (CONST).