

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

2008

REGIONAL TRANSPORTATION PLAN

Making the Connections

***Transportation
Finance Report***



FINANCE

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Introduction

As a federally designated MPO, SCAG must prepare a long-range financial plan to comply with financial constraint requirements in the metropolitan planning process. Financial constraint means demonstrating that there will be sufficient funds to implement proposed improvements as well as operate and maintain the region's surface transportation system.

This report highlights the financial planning component of the 2008 RTP for the six-county SCAG region. The financial plan identifies how much money is available to support the region's surface transportation investments including transit, highways, local road improvements, system preservation and demand management goals. It also addresses the need for investment in goods movement infrastructure. Improving ground access in and around major goods movement facilities, and enhancements to major highways and railways are critical to maintaining the health of Southern California's economy. The 2008 RTP calls for traditional and non-traditional revenue sources for implementing a program of infrastructure and environmental improvements to keep both freight and people moving.

The 2008 RTP financial plan identifies a number of new revenue sources to provide additional funding beyond existing transportation dollars. The SCAG region's financially constrained plan includes a core revenue forecast of existing local, state, and federal sources along with new funding sources that are reasonably available over the time horizon of the RTP. The plan also includes action steps to obtain the revenues necessary for implementing the region's transportation vision.

The region has successfully secured the necessary resources to support transportation investments proposed in past RTPs and this plan will continue to meet the necessary milestones for implementation. Since 2002, three counties within the SCAG region (Riverside, San Bernardino, and Orange) reauthorized their local sales tax measures with overwhelming voter approval. More recently, the general electorate of California approved Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of

2006, which provides \$19.9 billion in infrastructure bonds for transportation improvements throughout the state. Additional legislative gains include the protection of Proposition 42 revenues (sales tax on gasoline) for transportation purposes with the passage of Proposition 1A.

In 2006, the State Legislature also reviewed the potential for using public-private partnerships to facilitate project delivery. With the passage of AB 1467 (Nunez, Chapter 32, Statutes of 2006), the state established a framework for moving forward with partnership demonstration projects. AB 1467 authorizes two public-private partnerships related to goods movement in Southern California and two in Northern California. The bill also authorizes the implementation of high-occupancy toll (HOT) lanes, which would allow the region to better utilize its High Occupancy Vehicle (HOV) lanes and generate toll revenues. Further, AB 521 (Runner, Chapter 542, Statutes of 2006) clarified the State Legislature's role in evaluating partnership proposals. Recent passage of AB 1467 and AB 521 provide a sound basis for SCAG's 2008 RTP financial strategies.

In developing the financial plan, SCAG followed a few basic principles to guide its regional financial forecast:

- Incorporate financial planning documents developed by local county transportation commissions and transit operators in the region where available;
- Ensure consistency with both local and state planning documents;
- Utilize published data sources to evaluate historical trends and augment local forecasts as needed; and
- Recommend new funding sources that target beneficiaries of transportation investments.

The rest of this report outlines our financial strategies and provides documentation of the financial assumptions and methodologies used for forecasting revenues and expenditures.

Definition of Core and Reasonably Available Revenues

For the 2008 RTP, SCAG prepared two types of revenue forecasts, which are both included in the financially constrained plan:

- Core revenues
- Reasonably available revenues.

The *core revenues* identified are those that have been historically available for the building, operations, and maintenance of the current roadway and transit systems in the SCAG region. These revenues are projected to FY2036. The core forecast does not include assumptions about future increases in tax rates beyond maintaining current federal funding levels, nor does it include extensions of tax measures beyond their expiration date—unless approved through recent ballot initiatives. These revenues provide a benchmark from which additional funding can be identified.

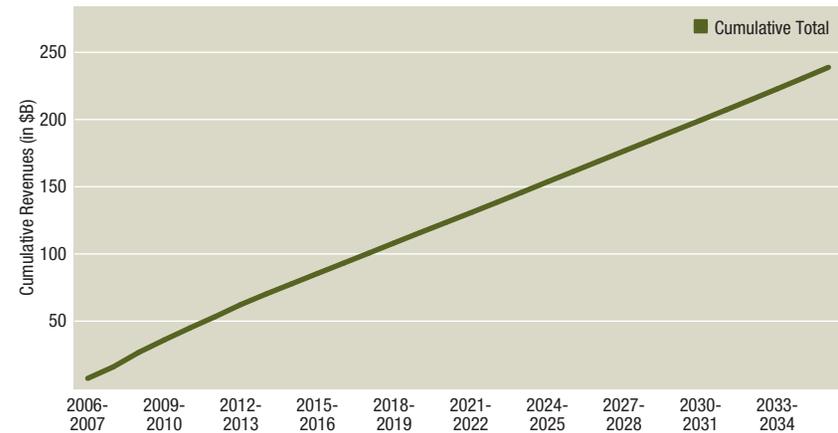
The region's *reasonably available revenues* include new sources of transportation funding likely to materialize within the timeframe of the 2008 RTP. These new sources include adjustments to state and federal gas tax rates based on historical trends; localized value capture strategies to support critical transit-oriented investments; container fees; as well as passenger and commercial truck tolls for specified facilities. Reasonably available revenues also include innovative financing strategies, such as private equity participation. The new revenue sources and innovative financing strategies are identified in further detail in this report. In accordance with federal guidelines, strategies for ensuring the availability of these sources are also presented.

Core Revenues

A regional revenue model was developed to forecast the revenues over the entire RTP time horizon. The revenue model provides a detailed forecast that supports analysis by county or funding source. As Figure 1 shows, SCAG expects the region to have steady revenues available over the life of the RTP. In

today's (2007) dollars, \$238.8 billion in core revenues are available to fund transportation investments between fiscal year 2007 and 2036.

FIGURE 1 TOTAL REVENUES



However, these figures ignore the effects of inflation. Consistent with federal guidelines, the 2008 RTP takes into account inflation and reports statistics in nominal (or year of expenditure) dollars. Figure 2 shows how inflation causes revenues in nominal dollars to be much larger than in today's (2007) dollars. The effect is particularly large in the last few years of the plan, when inflation has had nearly 30 years to erode the value of money and cause both costs and revenues to be higher in nominal dollar terms. In nominal dollars, the SCAG region has \$411.4 billion in core revenues available during the RTP period. Table 1 shows these core revenues (in nominal dollars) in five-year increments by county.

FIGURE 2 TOTAL REVENUES

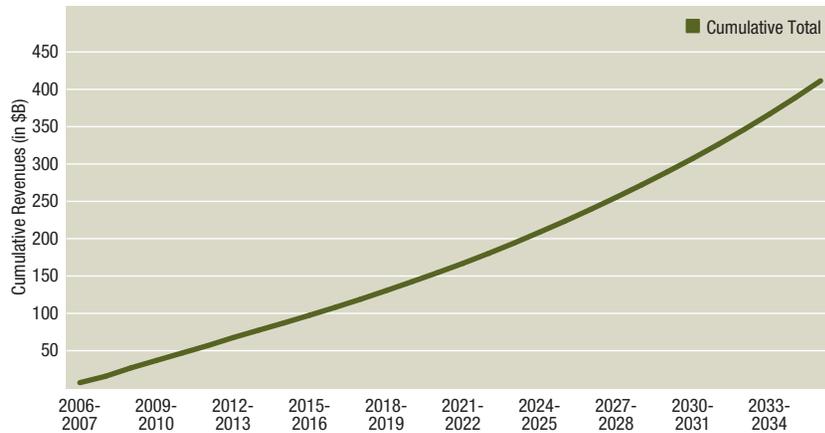


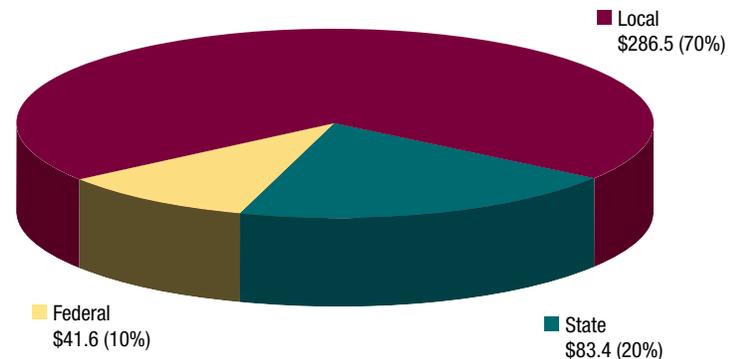
TABLE 1 CORE REVENUE FORECAST FY 2007-2036 (IN NOMINAL DOLLARS, BILLIONS)

County	FY2007-11	FY2012-16	FY2017-21	FY2022-26	FY2027-31	FY2032-36	Total
Imperial	\$0.4	\$0.4	\$0.3	\$0.4	\$0.4	\$0.4	\$2.3
Los Angeles	\$29.1	\$30.5	\$32.8	\$39.7	\$45.3	\$53.2	\$230.6
Orange	\$6.8	\$7.8	\$9.2	\$11.5	\$14.4	\$17.9	\$67.7
Riverside	\$4.3	\$5.3	\$6.8	\$9.0	\$12.9	\$18.5	\$56.8
San Bernardino	\$5.2	\$5.7	\$6.6	\$7.1	\$8.9	\$11.4	\$44.9
Ventura	\$1.0	\$1.1	\$1.2	\$1.5	\$1.9	\$2.4	\$9.1
Total	\$46.8	\$50.7	\$56.9	\$69.2	\$83.8	\$103.9	\$411.4

Note: Numbers may not add due to rounding.

As shown in Figure 3, the majority of revenues in the SCAG region come from local sources. The share of state sources (20 percent) has increased since the last RTP (15 percent) as a result of two propositions. Proposition 1A protects funding from the state gasoline sales tax, and Proposition 1B authorizes \$19.9 billion in bonds over the next several years to fund existing and new statewide transportation-related infrastructure programs.

FIGURE 3 SCAG REGIONAL REVENUES (IN NOMINAL DOLLARS) \$411.4 BILLION TOTAL



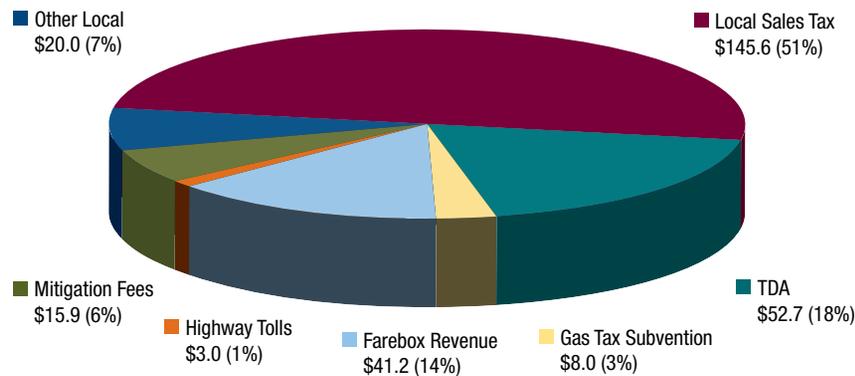
Source: SCAG Revenue Model 2007

Note: Numbers may not add due to rounding.

Local option sales taxes provide the largest single source of local funding as shown in Figure 4 and compose roughly a third (35.6 percent) of overall core funding for the RTP. Local sales tax revenues have been boosted by the renewal of several local measures.

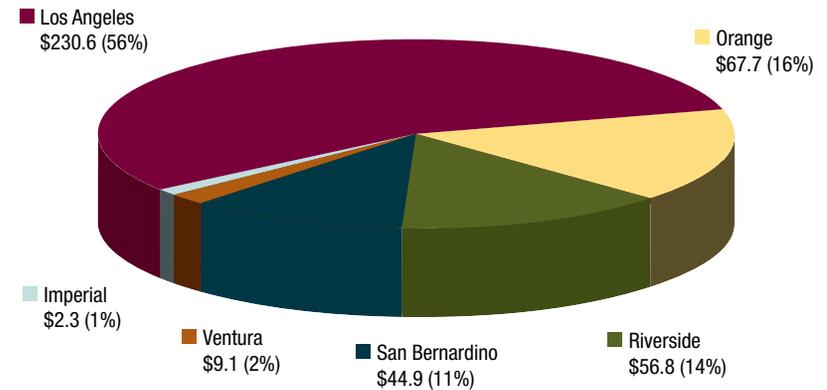
Specifically, sales tax extensions have significantly increased the funding available in San Bernardino and Riverside counties and their shares of overall regional transportation revenues. Figure 5 shows the breakdown of revenues by county.

FIGURE 4 SCAG REGIONAL REVENUES, LOCAL SOURCES (IN NOMINAL DOLLARS) \$286.5 BILLION TOTAL



Source: SCAG Revenue Model 2007
Note: Numbers may not add due to rounding.

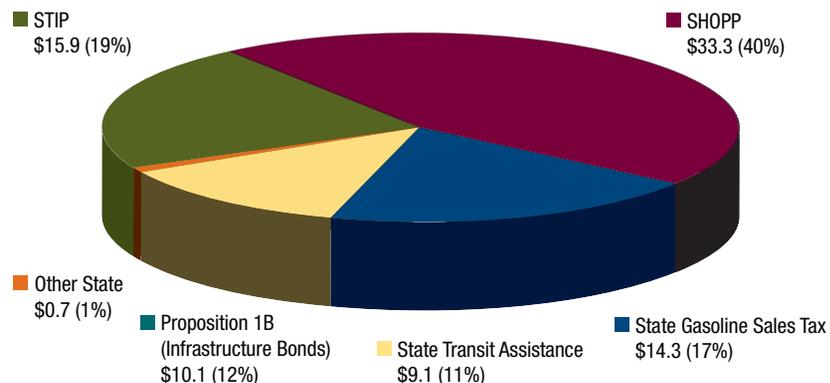
FIGURE 5 SCAG REGIONAL REVENUES BY COUNTY (IN NOMINAL DOLLARS) \$411.4 BILLION TOTAL



Source: SCAG Revenue Model 2007
Note: Numbers may not add due to rounding.

State sources generate a larger share of revenues than in the 2004 RTP, mostly due to the infrastructure bonds (Proposition 1B) and state gasoline sales tax protection (Proposition 1A). The infrastructure bonds and state gasoline sale taxes make up roughly 30 percent of the total \$83.4 billion in forecasted state revenues (see Figure 6).

FIGURE 6 SCAG REGIONAL REVENUES, STATE SOURCES (IN NOMINAL DOLLARS) \$83.4 BILLION TOTAL

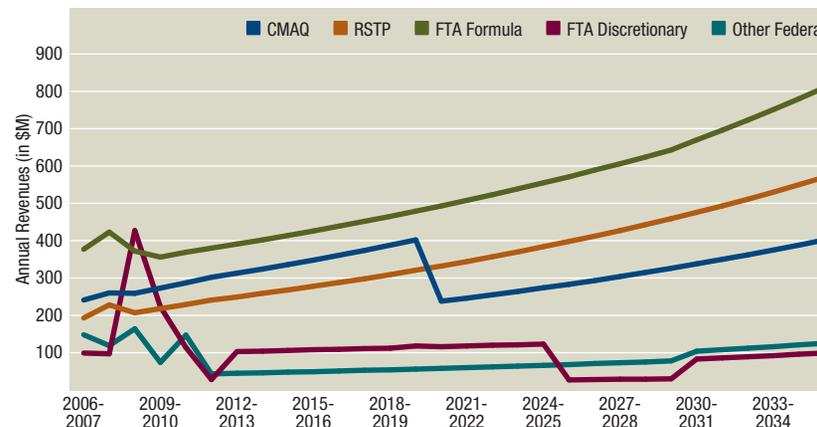


Source: SCAG Revenue Model 2007

Note: Numbers may not add due to rounding.

As shown in Figure 7, federal sources are anticipated to remain steady and represent a small portion of overall transportation funds (\$41.6 billion). One of the largest declines in federal funding will be due to the region achieving attainment for a number of pollutants by 2020. This will result in less CMAQ funding. Additionally, FTA discretionary funding will experience a temporary increase early on as existing SAFETEA-LU earmarks are spent down.

FIGURE 7 FEDERAL REVENUE SOURCES



Reasonably Available Revenues

This section identifies new funding sources that will increase the revenues available for the 2008 RTP. The region also expects to leverage innovative financing strategies.

Table 2 presents twelve categories of funding sources and financing techniques that were evaluated for the RTP. They were selected as a result of their use in other areas of the state, the burgeoning potential, historical precedence and likelihood of implementation within the timeframe of the 2008 RTP. These funding sources are reasonably available and are included in the financially constrained plan. For each funding source, SCAG has examined the policy and legal context of implementation and has prepared an estimate of the revenue potential.

Revenue Assumptions

A regional revenue model was developed to forecast the revenues over the RTP time horizon. The revenue model supports analysis by county or fund-

TABLE 2 NEW REVENUE SOURCES AND INNOVATIVE FINANCING STRATEGIES (IN NOMINAL DOLLARS, BILLIONS)

Revenue Source	Description	Amount	Actions to Ensure Availability	Responsible Party
Value Capture Strategies	Various techniques assumed: formation of special districts, including Benefit Assessment Districts, Mello-Roos Community Facility Districts, as well as tax increment financing and joint development to provide gap financing for specific transit investments (Gold Line extension, Purple line extension, and the HSRT system). SCAG also assumes one-time proceeds from the sale of Caltrans-owned property within the SR-710 tunnel vicinity.	\$3.7	Pursue necessary approvals for special districts by 2012 (Benefit Assessment Districts require majority approval by property owners; Mello-Roos tax requires two-thirds approval); work with private entities for joint development opportunities; also, work with Caltrans to utilize proceeds from real estate sales to partially fill funding gap for the SR-710 tunnel; pursue legislation to enable sales and to establish escrow account for the proceeds	MPO, transit operators, local jurisdictions, property owners along project corridors, developers, Caltrans
Local Option Sales Tax Extension	Half-cent sales tax measure extension for Imperial County—existing Measure D expires in 2010	\$0.8	Local sales tax measure to be placed on ballot by 2010	Imperial County
Highway Tolls (includes toll revenue bond proceeds)	Toll revenues generated from the SR-710 tunnel, I-710 dedicated truck lanes, High Desert Corridor, and CETAP Corridor	\$22.0	Region was granted authority under AB 1467 (2006) to impose tolls and work with private entities for the financing of goods movement related facilities including the I-710 dedicated truck lanes; additional state legislative approval needed for the SR-710 tunnel	MPO, local county transportation commissions (LAC-MTA, SANBAG, RCTC), State Legislature
State and Federal Gas Excise Tax Adjustment to Maintain Historical Purchasing Power	Estimate equivalent to additional ten cent per gallon gasoline tax imposed by the state and federal government starting in 2012—extrapolation of historical trend	\$17.0	Congressional and state legislative approval	MPO, State Legislature, Congress
Container Fees (includes container fee bond proceeds)	Charge imposed on containerized cargo moving through the Ports of LA/LB (includes railroad user-fees for rail capacity improvement program); fees are directly linked to specific goods movement projects	\$41.5	Negotiated by Ports, shipping community, regional stakeholders or state legislative approval (upon passage of SB 974 or other legislative effort)	Ports, shippers, goods movement stakeholders (MPO, railroads, local county transportation commissions), State Legislature
Private Equity Participation	Public Private Partnership arrangement whereby a private entity designs, finances, builds, operates, and maintains a facility under a lease arrangement for a fixed period of time	\$4.4	Region was granted authority under AB 1467 (2006) to work with private entities for the financing of freight related projects; additional state legislative approval needed for the SR-710 tunnel	MPO, local county transportation commissions, private consortium, State Legislature

Revenue Source	Description	Amount	Actions to Ensure Availability	Responsible Party
Private Activity Bonds (PAB)	Interest savings from the issuance of tax-exempt private activity bonds	\$0.4 (included in container fees)	Work with railroads and other regional stakeholders to receive federal PAB allocation	MPO, freight railroads, local county transportation commissions, US DOT
U.S. Environmental Protection Agency (EPA) funding for clean freight rail technology	EPA subsidies to help mitigate locomotive emissions per the 2007 State Implementation Plan (SIP)	\$1.9	Work with railroads, AQMD, ARB and US EPA for federal clean technology funding allocation	MPO, freight railroads, AQMD, ARB, US EPA
Interest Earnings	Interest earnings from toll bond proceeds (High Desert Corridor, CETAP, SR - 710 tunnel, and I-710 truck lanes)	\$0.4	See Highway Tolls	See Highway Tolls
Riverside County Measure A (Bond Anticipation Notes)	Short-term debt to help fund the CETAP Corridor in anticipation of the sale of Measure A revenue bonds	\$1.5	Issuance of debt subject to RCTC Board policy	RCTC
Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan	The TIFIA Loan program provides credit assistance for transportation investments of national/regional significance; TIFIA loan assumed for the CETAP Corridor	\$0.9	Work with USDOT and RCTC to evaluate applicability of the TIFIA loan program for the CETAP Corridor; further feasibility work necessary to assess traffic and revenue potential on CETAP Corridor	MPO, RCTC, USDOT TIFIA Office
HSRT Passenger System (Private Contribution & User Fee)	User-fee supported initiative for HSRT system. Assumes private sector development: design, finance, build, operate and maintain. See HSRT Report for further details	\$26.2	For the IOS: form JPA, finalize development of a comprehensive business plan; work with private entity to ensure commitment	MPO, Private Consortium, local/regional stakeholders

ing source. The region's revenue forecast horizon for the 2008 RTP is FY2007 through FY2036.

The underlying data are based on financial planning documents developed by the local county transportation commissions and transit operators in the region. The revenue model also uses information from the California Department of Transportation (Caltrans) and the California Transportation Commission (CTC). A complicating factor in the SCAG region is that individual county transportation commissions develop revenue forecasts consistent with their obligations under county sales tax measures. The regional forecasts incorporate the county forecasts and fill in data under a common framework. This ensures consistency between the SCAG forecast and the planning documents of the county transportation commissions. Where there are gaps in the financial projections in the outer years between the county forecasts and the RTP time horizon, growth assumptions are extrapolated from historical trends based on published data.

The basic process for developing the revenue forecast is as follows:

- Building on the revenue forecasts provided by the county transportation commissions
- Filling in data where needed using assumptions based on historical data
- Comparing historical data to Short-Range Transit Plans and other agency documents
- Working with the transportation commissions to modify assumptions and forecasts as needed.

The next few sections describe specific economic assumptions and challenges in developing the regional revenue forecasts.

ECONOMIC CONDITIONS

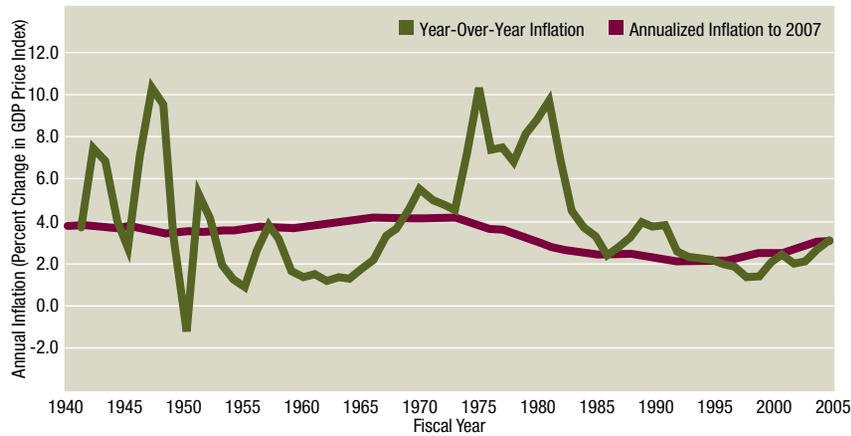
Overall economic conditions play a large role in determining the level of revenues available for transportation. Although it is difficult to predict the future,

SCAG's financial model takes a conservative approach in forecasting the latter years of the RTP planning horizon. The approach also includes maintaining historical growth trends for key revenue sources, including locally generated sales tax revenues as well as both state and federal gas tax revenues.

INFLATION

The effect of inflation over a long range plan is significant, particularly in the last few years when inflation has had nearly 30 years to erode the value of money. This causes both costs and revenues to be higher in nominal dollar terms. Figure 8 shows inflation trends since World War II as measured by the Gross Domestic Product (GDP) Price Deflator. Inflation has varied considerably over the long term, but has trended between 2 and 4 percent, as illustrated by the red line. In recent years, inflation has increased. SCAG's financial model utilizes historical inflation trends as measured by the GDP Price Deflator – an approach consistent with that used by the Federal Office of Management and Budget in preparing the Budget of the United States Government. On the basis of this information, a 3.8-percent inflation rate is used to adjust revenue model data to nominal dollars (year-of-expenditure dollars).

FIGURE 8 HISTORICAL INFLATION TRENDS

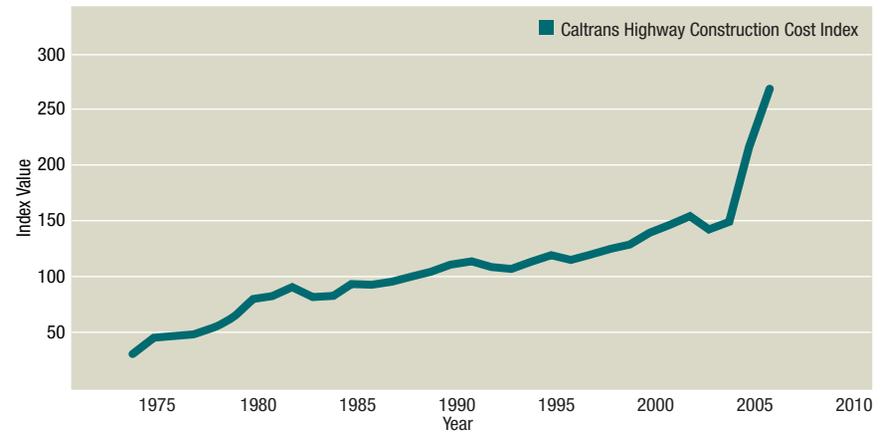


Source: Office of Management and Budget, Budget of the United States Government, Fiscal Year 2008 Budget (FY08).

CONSTRUCTION COSTS INCREASES

While revenues can be eroded by inflation, construction costs in California and the nation have escalated considerably over the last four years. This has been a major impediment to delivering transportation projects. The recent, large increase in construction costs is due to a variety of factors, including a building boom and higher demand for commodities in developing countries, especially China with construction for the 2008 Olympics. Figure 9 shows the increase in California highway construction costs. It is unlikely that costs will continue to increase at a rapid rate in the future. The increase over the last few years is unprecedented. The financial plan uses a 5.3-percent annual inflation factor to estimate future, nominal costs.

FIGURE 9 HIGHWAY PROJECT COSTS



Source: California Department of Transportation

RETAIL SALES GROWTH

Available land, population increases, and new retail locations are the biggest contributors to growth in retail sales. According to statistics from the California Board of Equalization, retail sales grew by 2.3 percent in the SCAG region from FY1978 to FY2004, a period roughly equal in length to the 2008 RTP. Growth was uneven, ranging from 1.3 percent in Los Angeles County to 5.5 percent in Riverside County. The financial plan assumes that uneven growth will continue with retail sales growth ranging from 1.2 to 4.7 percent.

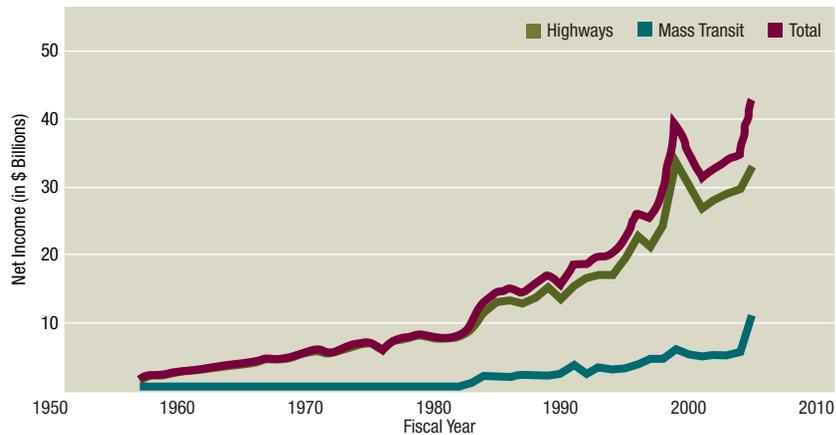
FUEL CONSUMPTION

Taxes on gasoline and diesel fuels are the basis of many transportation revenue sources. These types of revenues are solely dependent on fuel consumption. Over the next several decades, fuel consumption will continue to be impacted by increases in vehicle-miles traveled, increases in conventional vehicle fuel economy, and the adoption of alternative fuel vehicles. While Caltrans estimates that fuel consumption statewide will increase by 1.7 percent between 2004 and 2030, the financial plan takes a more conservative approach and assumes that fuel consumption will not increase over the RTP planning horizon.

STATUS OF THE FEDERAL HIGHWAY TRUST FUND

The Federal Highway Trust Fund provides federal highway and transit funding from a nationally imposed 18.3-cent per gallon gasoline tax.¹ The Federal Highway Trust Fund has grown by 3.4 percent annually due to historical increases in fuel consumption. But recently, a larger share is being devoted to transit as shown in Figure 10.

FIGURE 10 STATUS OF THE FEDERAL HIGHWAY TRUST FUND

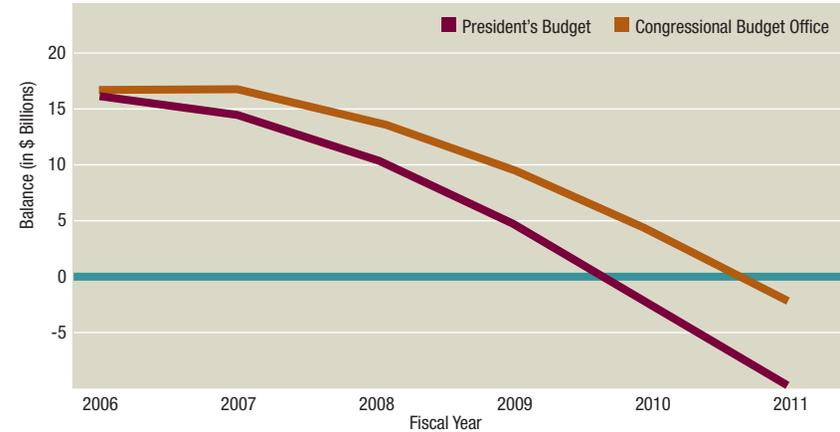


Source: Federal Highway Administration, Federal Highway Statistics 2005

Many public officials and transportation professionals have become concerned about the health of the Federal Highway Trust Fund, as expenditures authorized under Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) have outstripped revenues generated by the tax. Figure 11 shows a chart from a recent General Accountability Office (GAO) analysis of Federal Highway Trust Fund forecasts. Congressional leadership has shown concern over the problem and the SCAG 2008 RTP assumes that Congress will take action to ensure that the Highway Trust Fund maintains current funding levels.

¹ The federal gasoline excise tax is 18.4-cent per gallon. However, only 18.3-cent is deposited into the HTF (15.44-cent for the Highway Account and 2.86-cent for the Mass Transit Account). The additional 0.1 cent is deposited into the Leaking Underground Storage Tank Trust Fund.

FIGURE 11 CURRENT HIGHWAY TRUST FUND YEAR-END BALANCE

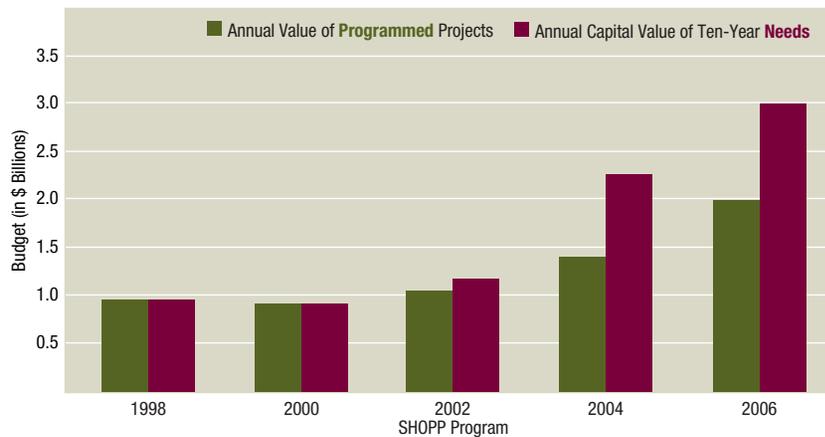


United States Government Accountability Office, Highway Trust Fund: Overview of Highway Trust Fund Estimates, GAO Testimony Before the Subcommittee on Highways, Transit, and Pipelines, Committee on Transportation and Infrastructure, GAO-06-572T

STATUS OF THE STATE HIGHWAY ACCOUNT

The viability of the State Highway Account remains a critical issue. The state's gasoline tax revenues are now exclusively dedicated to funding the State Highway Operation and Protection Program (SHOPP). As shown in Figure 12, previous levels of funding have been considerably less than actual needs. Continued under-investment in the rehabilitation and maintenance needs of the state highway system has serious ramifications—rapidly increasing the number of distressed lane-miles on the state highway system and eroding the condition of the state's bridges.

FIGURE 12 STATE HIGHWAY OPERATION AND PROTECTION PROGRAM



Source: California Department of Transportation, 2007 Ten-Year SHOPP Plan

Statewide, the 2007 Ten-Year SHOPP Plan identifies \$4.2 billion in annual needs, while the fiscally constrained funding plan for the next four years are only \$1.9 billion annually. The RTP assumes that the State Legislature will address this need through an adjustment in the state gas excise tax and that other revenues will continue to be available for capital projects.

AIR QUALITY ATTAINMENT

Air quality determines the amount of Congestion Mitigation and Air Quality (CMAQ) funding available to the SCAG region. The 2008 RTP assumes that the region will be in attainment for a number of pollutants. It also assumes the severity level for other pollutants will lessen as of 2020. As a result, CMAQ funding is halved.

LOCAL SALES TAX MEASURES

Most of the counties in the SCAG region impose a local sales tax to fund transportation projects. Ventura County is the only county in the region without a dedicated sales tax. In recent years, several local sales taxes have been renewed and the 2008 RTP reflects these additional revenues:

- San Bernardino County renewed Measure I through 2040.
- Riverside County renewed Measure A through 2039.
- Orange County recently renewed Measure M through 2041.

Los Angeles County levies a permanent 1 percent tax (a combination of two half-cent sales taxes). In Imperial County, Measure D will expire in 2010. However, the 2008 RTP assumes an extension of Measure D as part of new revenue sources.

ASSUMPTIONS BY REVENUE SOURCE

Table 3 describes the specific revenue assumptions used for the financially constrained 2008 RTP. A more detailed discussion of revenue sources is included in Appendix B of this report. The California Transportation Commission (CTC) releases the Fund Estimate every two years and the estimate covers a four-year period. The Fund Estimate tells each region how much money it can expect to receive from various sources. This estimate is guided by statutory requirements that direct how the funds are divided up throughout the state. The federal funding categories of Interstate Maintenance (IM) and National Highway System (NHS) are included within the CTC's State Transportation Improvement Program (STIP) allocation. The federal funds cannot be separated from CTC's overall fund estimate and the resulting regional allocation from the STIP. For this reason, the federal categories of Interstate Maintenance (IM) and National Highway System (NHS) are not shown on the revenue data table under federal sources nor are they specifically documented and described here.

TABLE 3 CORE AND REASONABLY AVAILABLE REVENUE PROJECTIONS (IN NOMINAL DOLLARS, BILLIONS)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
LOCAL REVENUE SOURCES		
Local Option Sales Tax Measures	<p>Description: Locally imposed ½ percent sales taxes in four counties (Imperial, Orange, Riverside, and San Bernardino). Permanent 1 percent (combination of two ½ cent sales taxes) in Los Angeles.</p> <p>Assumptions: Sales taxes grow consistent with county transportation commission forecasts and historical trends.</p>	\$145.6
Transportation Development Act (TDA) – Local Transportation Fund	<p>Description: Local Transportation Funds (LTF) are derived from a ¼ cent sales tax on retail sales statewide. Funds are returned to the county of generation and used mostly for transit operations and transit capital expenses.</p> <p>Assumptions: Same sales tax growth rate as used for local option sales tax measures</p>	\$52.7
Gas Excise Tax Subventions (to Cities and Counties)	<p>Description: Subventions to counties and local jurisdictions in region from the California state gas tax. Revenues for the forecast are proportionate to the percentage of streets and roads that are regionally significant.</p> <p>Assumptions: Fuel consumption does not grow except in Los Angeles and Orange counties where growth is less than historical trends and consistent with forecasts by local transportation commissions. Regionally significant streets and roads (37 to 50 percent of roads) are classified as either arterials or collectors.</p>	\$8.0
Transit Farebox Revenue	<p>Description: Transit fares collected by transit operators in the SCAG region.</p> <p>Assumptions: Farebox revenues increase consistent with historic trends, planned system expansions, and operator forecasts.</p>	\$41.2
Highway Tolls (in core revenue forecast)	<p>Description: Revenues generated from toll roads operated by the Transportation Corridor Agencies (TCA).</p> <p>Assumptions: Traffic does not grow (compared to historical growth of about 3.8 percent) in core revenue forecast scenario.</p>	\$3.0
Mitigation Fees	<p>Description: Revenues generated from development impact fees. The revenue forecast includes fees from the Transportation Corridor Agency (TCA) development impact fee program; the Riverside County's Transportation Uniform Mitigation Fee (TUMF) for both the Coachella Valley and Western Riverside County; and the San Bernardino County's Development Impact Fee (DIF) program.</p> <p>Assumptions: The financial forecast is consistent with revenue forecasts from Riverside County Transportation Commission (RCTC), and San Bernardino Associated Governments (SANBAG).</p>	\$15.9
Local Agency Funds	<p>Description: Includes committed local revenue sources, such as transit advertising and auxiliary revenues, lease revenues, and interest and investment earnings from reserve funds.</p> <p>Assumptions: Revenues are based on financial data from transit operators and local county transportation commissions.</p>	\$20.0
LOCAL SUBTOTAL		\$286.5

Note: Numbers may not add due to rounding

TABLE 3.1 CORE AND REASONABLY AVAILABLE REVENUE PROJECTIONS (IN NOMINAL DOLLARS, BILLIONS)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
STATE REVENUE SOURCES		
State Transportation Improvement Program (STIP)	<p>Description: The STIP is a five-year capital improvement program that provides funding from the State Highway Account (SHA) for projects that increase the capacity of the transportation system. The SHA is funded through a combination of state gas excise tax, the Federal Highway Trust Fund, and truck weight fees. The STIP may include projects on state highways, local roads, intercity rail, or public transit systems. The Regional Transportation Planning Agencies (RTPAs) propose 75 percent of STIP funding for regional transportation projects in Regional Transportation Improvement Programs (RTIPs). Caltrans proposes 25 percent of STIP funding for interregional transportation projects in the Interregional Transportation Improvement Program (ITIP).</p> <p>Assumptions: Funds are based upon the 2006 STIP program of projects. Long-term forecasts assume no growth in fuel consumption..</p>	\$15.9
State Highway Operation and Protection Plan (SHOPP)	<p>Description: Funds state highway maintenance and operations projects.</p> <p>Assumptions: Short-term revenues are based on overlapping 2004, 2006 and 2008 SHOPP programs. Long-term forecasts are consistent with STIP forecasts and assume no growth in the fuel consumption.</p>	\$33.3
State Gasoline Sales Tax	<p>Description: The state gasoline sales tax funds discretionary projects through the former Traffic Congestion Relief Program (TCRP). Proposition 42, recently restored by Proposition 1A, transfers future revenues to the Transportation Investment Fund which distributes revenues to the STIP, local streets and roads, and transit.</p> <p>Assumptions: The financial forecast assumes that each county receives its fair share of state gasoline sales tax based upon county population. Future revenues are not expected to grow with the exception of Orange County, which is expected to grow by a modest one percent.</p>	\$14.3
State Transit Assistance Fund (STA)	<p>Description: STA is funded with 50 percent of State Public Transit Account (PTA) revenues which come from diesel sales tax and “spillover” in the gasoline sales tax. Funding is distributed 50 percent by population share and 50 percent by revenue share of the transit operators.</p> <p>Assumptions: The forecast is based on current funding levels reported by the State Controller., except in Los Angeles and Orange counties, where growth is less than historical trends and consistent with forecasts by local transportation commissions.</p>	\$9.1
Highway Safety, Traffic, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B)	<p>Description: Proposition 1B authorizes \$19.9 billion to be spent statewide over the next several years on existing and new statewide transportation-related infrastructure programs and projects. Several programs are included under Proposition 1B. The California Transportation Commission has not yet established priorities and funding formulas for all categories.</p> <p>Assumptions: The forecast assumes that the SCAG region receives its fair share of funding under the categories with established funding formulas. Other categories are assumed to be allocated according to population.</p>	\$10.1
Other State Sources	<p>Description: Other state sources include Service Authority for Freeways and Expressways (SAFE), Freeway Service Patrol, Air Quality Vehicle Registration Fee (AB 2766), Environmental Enhancement and Mitigation, and other miscellaneous state grants. The Clean Air and Transportation Improvement Act added Proposition 116 to use state general obligation bonds to finance rail infrastructure.</p> <p>Assumptions: The RTP uses forecasts provided by LACMTA for Los Angeles County for consistency with the LACMTA long-range transportation plan. These revenues are not estimated for other counties.</p>	\$0.7
STATE SUBTOTAL (State STIP funds include FHWA IM and NHS funding categories)		\$83.4

TABLE 3.2 CORE AND REASONABLY AVAILABLE REVENUE PROJECTIONS (IN NOMINAL DOLLARS, BILLIONS)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
FEDERAL REVENUE SOURCES		
FHWA Non-Discretionary Congestion Mitigation and Air Quality (CMAQ) Program	<p>Description: Program to reduce traffic congestion and improve air quality in non-attainment areas.</p> <p>Assumptions: Short-term revenues are based upon the Caltrans apportionment estimates. Long-term revenues assume that the Federal Highway Trust Fund stays solvent, but revenues do not grow. CMAQ funding is assumed to be halved starting in 2020 due to improved air quality.</p>	\$9.5
FHWA Non-Discretionary Regional Surface Transportation Program (RSTP)	<p>Description: Projects eligible for RSTP funds include rehabilitation and new construction on any highways included in the National Highway System (NHS) and Interstate Highways (including bridges). Also, transit capital projects, as well as intracity and intercity bus terminals and facilities are eligible.</p> <p>Assumptions: Short-term revenues are based upon the Caltrans apportionment estimates. Long-term revenues assume that the Federal Highway Trust Fund stays solvent, but revenues do not grow.</p>	\$10.6
FTA Formula Programs 5307 Urbanized Area Formula (Capital), 5310 Elderly and Persons with Disabilities Formula, 5311 Non-urbanized Area Formula, 5309 Fixed Guideway Program	<p>Description: This includes a number of FTA programs that are distributed by formula. 5307 is distributed annually to state urbanized areas with a formula based on population, population density and transit revenue miles of service. Program funds capital projects (and operations expenses in areas under 200,000 in population), preventative maintenance and planning activities. 5310 funds are allocated by formula to states for capital costs of providing services to the elderly and disabled. The 5311 program provides capital and operating expenses for rural and small urban public transportation systems. Section 5309 Fixed Guideway (FG) funds are also distributed to regions on an urbanized area formula.</p> <p>Assumptions: Formula funds are assumed to increase in proportion with the Federal Highway Trust Fund. As with the FHWA sources, the Trust Fund is expected to stay solvent, but not grow. For Los Angeles and Orange counties, the local transportation commissions have estimated formula allocations based on future increases in service and past allocations that yield results consistent with a no-growth assumption.</p>	\$15.8
FTA Non-Formula Program 5309 New and Small Starts, 5309 Bus & Bus Related Grants	<p>Description: Capital projects include preliminary engineering, acquisition of real property, final design and construction, initial acquisition of rolling stock for new fixed guideway systems or extensions, including bus rapid transit, light rail, heavy rail, and commuter rail systems. Capital investment grants of less than \$75 million are considered “small starts”. “Small starts” will have separate funding category beginning in FY07. Program funds bus acquisition and other rolling stock, ancillary equipment and the construction of bus facilities. Also includes bus rehabilitation and leasing, park and ride facilities, parking lots associated with transit facilities and bus passenger shelter.</p> <p>Assumptions: Operators are assumed to receive FTA discretionary funds in rough proportion to what they have received historically. The Federal Highway Trust Fund is expected to stay solvent, but not grow. For Los Angeles and Orange counties, the local transportation commissions have estimated discretionary allocations based on future increases in service and past allocations. Los Angeles expects discretionary allocations to remain constant in nominal terms, while Orange County expects discretionary allocations to grow slower than inflation.</p>	\$3.1
Other Federal Fund	<p>Description: Includes other federal programs, such as Regional Transportation Enhancements, Highway Bridge Replacement and Rehabilitation, Homeland Security Grants, Bus Preferential Signal Systems, Highway Earmarks, Hazard Elimination Safety, and Railroad/Highway Grade Crossing Protection (Section 130).</p> <p>Assumptions: LACMTA provided forecasted revenues for these programs, which have been adopted in the RTP for Los Angeles County. For other counties, Highway Bridge Program revenues are estimated in the short-term using program allocations provided by the California Department of Transportation through FY2010. Longer-term estimates are based upon the no growth assumption used for other federal funding sources.</p>	\$2.5
FEDERAL SUBTOTAL		\$41.6

Note: Numbers may not add due to rounding

TABLE 3.3 CORE AND REASONABLY AVAILABLE REVENUE PROJECTIONS (IN NOMINAL DOLLARS, BILLIONS)

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
INNOVATIVE FINANCING & NEW REVENUE SOURCES		
Value Capture Strategies	<p>Description: This strategy refers to capturing the incremental value generated by transportation investments through formation of special districts, joint development, and tax increment financing. Also includes sale of Caltrans-owned property.</p> <p>Assumptions: SCAG assumes the formation of special districts, including Benefit Assessment Districts, Mello-Roos Community Facilities Districts, as well as use of tax increment financing and joint development to provide gap financing for specific transit investments: Gold line extension, Purple line extension, and passenger HSRT system. SCAG also assumes one-time proceeds from the sale of Caltrans-owned property within the SR-710 tunnel vicinity.</p>	\$3.7
Local Option Sales Tax Extension	<p>Description: Locally imposed ½ percent sales tax measure extension for Imperial County—existing Measure D expires in 2010.</p> <p>Assumptions: Sales tax grows consistent with historical trends in county retail sales.</p>	\$0.8
Highway Tolls	<p>Description: Toll revenues generated from SR-710 tunnel. Also, tolls assumed for the I-710 dedicated truck lanes, High Desert Corridor, and CETAP Corridor as well as SR-91.</p> <p>Assumptions: Toll revenues based on recent feasibility studies for applicable corridors. Also includes toll revenue bond proceeds.</p>	\$22.0
State and Federal Gas Excise Tax Adjustment to Maintain Historical Purchasing Power	<p>Description: Equivalent to additional ten cent per gallon gasoline tax imposed by the state and federal government starting in 2012 - based on historical extrapolation.</p> <p>Assumptions: Forecast consistent with historical adjustments for both state and federal gas taxes.</p>	\$17.0
Container Fees	<p>Description: Charge imposed on containerized cargo moving through the Ports of LA/LB and region (includes railroad user-fees for rail capacity improvement program) and directly linked to specific goods movement projects.</p> <p>Assumptions: Container fees at \$30 per Twenty-Foot Equivalent Unit (TEU). Revenue total also includes railroad user-fees assessed on a TEU basis for the rail capacity improvement program; revenue total includes bond proceeds.</p>	\$41.5
Private Equity Participation	<p>Description: Public Private Partnership arrangement whereby a private entity designs, finances, builds, operates, and maintains a facility under a lease arrangement for a fixed period of time.</p> <p>Assumptions: Private capital is assumed for the financing of a number of projects including the SR-710 tunnel, CETAP Corridor and the HSRT system (freight only component assumed in this total). See separate line-item for passenger HSRT.</p>	\$4.4
Private Activity Bonds	<p>Description: Title XI Section 11142 of SAFETEA-LU amends Section 142(a) of the IRS Code to allow the issuance of tax exempt private activity bonds for highway and freight transfer facilities. States and local governments are allowed to issue tax-exempt bonds to finance highway and freight transfer facility projects sponsored by the private sector.</p> <p>Assumptions: Partial interest savings from the issuance of tax-exempt private activity bonds for freight rail investment package are assumed to offset some of the grade separation costs.</p>	\$0.4 (included in container fees)
Federal (EPA) funding for clean freight rail technology	<p>Description: Federal funding to mitigate locomotive emissions.</p> <p>Assumptions: In accordance with the proposed 2007 State Implementation Plan (SIP), it is assumed that the federal government (US EPA) will provide subsidies to mitigate locomotive emissions; the severity of the region's PM2.5 problem and the attainment deadline make it necessary to mitigate locomotive emissions</p>	\$1.9
Interest Earnings	<p>Description: Interest earnings from toll bond proceeds.</p> <p>Assumptions: Interest earnings are assumed from toll bond proceeds (High Desert Corridor, CETAP, SR-710 tunnel, and I-710 truck lanes).</p>	\$0.4

Revenue Source	Revenue Projection Assumptions	Revenue Estimate
Riverside County Measure A (Bond Anticipation Notes)	<p>Description: BANs are short-term debt financing strategies often used by local governments. The proceeds of a future issue are expected to cover anticipation notes.</p> <p>Assumptions: Short-term debt is assumed in the latter years of the RTP to help fund the CETAP Corridor in anticipation of the sale of Measure A revenue bonds.</p>	\$1.5
TIFIA Loan	<p>Description: TIFIA loan program provides credit assistance under flexible terms for transportation investments of national or regional significance.</p> <p>Assumptions: A TIFIA loan is assumed to facilitate financing of the CETAP Corridor; a direct loan is assumed to be repaid by project generated toll revenue.</p>	\$0.9
HSRT Passenger System (Private Contribution & User Fee)	<p>Description: User-fee supported initiative for HSRT system.</p> <p>Assumptions: Assumes private sector development including design, finance, build, operate, and maintain. See HSRT report for further details.</p>	\$26.2
NEW REVENUE SOURCE SUBTOTAL		\$120.1
GRAND TOTAL		\$531.5

Note: Numbers may not add due to rounding

Revenue Source Availability and Risk Assessment

TABLE 4 AVAILABILITY ASSUMPTIONS AND RISK ASSESSMENT

Revenue Source	New or Existing	Availability Assumption	Potential Risk	Risk Mitigation
Federal Non-Discretionary Funds (apportioned) (FTA/FHWA)	Existing	Continued federal funding at current apportionment levels	Lack of federal authorization bill upon immediate expiration of current legislation	Funds continue on incremental basis, at historic levels (continuing resolution)
Federal Funds Discretionary (FTA/FHWA)	Existing	Reasonably available based on historical allocations to the region or state	Lack of authorization or award	Alternative funding sources substituted; RTP amended if needed
Continuing Local Option Sales Taxes	Existing	Of five local sales tax measures, four will extend throughout the life of the RTP; one measure (Los Angeles County) is permanent and three measures were recently renewed (Riverside, San Bernardino, and Orange County Measures)	Sales tax generation substantially less than anticipated	Alternative funding sources substituted; RTP amended if needed
Local Option Sales Tax Renewal for Imperial County	New	If Imperial County renews the local sales tax, the amount of additional revenues will be \$816 million through the life of the RTP	Initiative to renew Measure D (Imperial County's sales tax) fails	Alternative funding sources substituted; RTP amended if needed
State Funds (STIP; SHOPP; STA; Prop 42; Prop 1B)	Existing	Continued state funding at current apportionment levels	Transfer of state transportation funds to General Fund purposes	Alternative funding sources substituted; RTP amended if needed
Value Capture Strategies	New	Reasonably available based on past history of local jurisdiction financing or match for project development (e.g., Metro Red Line Segment 1 Benefit Assessment District) and recent trends in transit oriented development/transit joint development; economic development potential analyzed for specific corridors (e.g., the Gold line extension); property values assessed for SR-710 Tunnel Corridor	Property owner approval fails; joint development effort generates less than expected resources; Caltrans' proceeds from sale of property diverted to other uses or sale proceeds are inadequate	Alternative funding sources substituted; RTP amended if needed
Highway Tolls	New	Reasonably available based on the region's project finance experience with toll corridors, namely the SR-91 and the TCA corridors	Toll revenue generation are inadequate; necessary legislative authorization for specific facilities fail to pass	Alternative funding sources substituted; RTP amended if needed
State and Federal Gas Excise Tax Adjustment	New	Reasonably available based on historical precedence—estimate in line with historical revenues	Fail to garner approval by Congress or State Legislature	Alternative funding sources substituted; RTP amended if needed
Container Fees (includes railroad user-fees)	New	Reasonably available based on historical precedence (e.g., Alameda Corridor experience)	Fail to adequately negotiate fee structure with shipping community and railroads; fail to pass appropriate legislation as may be necessary without negotiated agreement	Alternative funding sources substituted; RTP amended if needed
Private Equity Participation	New	Reasonably available based on current discussions with private entities and experience in other parts of the nation with PPP initiatives	Fail to pass appropriate legislative authorization as may be necessary for specific projects; fail to adequately negotiate with private entities/consortium	Alternative funding sources/financing substituted; RTP amended if needed
Private Activity Bonds (PAB)	New	Reasonably available based on SAFETEA-LU PAB authorization of \$15 billion nationally—allocation to region subject to approval	Fail to receive PAB allocation	Alternative funding sources/financing substituted; RTP amended if needed

Revenue Source	New or Existing	Availability Assumption	Potential Risk	Risk Mitigation
Federal EPA funding for clean freight rail technology	New	Reasonably available based on proposed 2007 State Implementation Plan	Fail to receive adequate US EPA financial support for clean freight rail engine technology (subsidy for Tier 4 engines)	Alternative funding sources substituted; RTP amended if needed
Interest Earnings	New	Reasonably available based on general practice with bond proceeds	Interest rate risk and liquidity considerations	Alternative funding sources/financing substituted; RTP amended if needed
Riverside County Measure A (Bond Anticipation Notes)	New	Reasonably available based on past debt financing strategies	Subject to the sale of Measure A bonds used to retire the notes	Alternative funding sources/financing substituted; RTP amended if needed
TIFIA Loan	New	Reasonably available based on national practice/use of TIFIA loans to facilitate project delivery for regionally/nationally significant projects	Subject to USDOT Joint Program Office (JPO) approval; may not be selected by USDOT for a direct loan	Alternative funding sources/financing substituted; RTP amended if needed
HSRT Passenger System (Private Contribution & User Fee)	New	Reasonably available based on current discussions with private entities expressing interest in designing/building an HSRT system	Fail to garner private sector commitment; fail to adequately generate system user-fee revenues to pay debt obligations	Alternative funding sources/financing substituted; RTP amended if needed to remove HSRT if funding does not materialize

Expenditure Categories and Methodology

Transportation expenditures in the SCAG region can be summarized into main categories:

- Capital costs for state highways, regionally significant arterials, local streets and roads, as well as transit
- Operating and maintenance costs for state highways, regionally significant arterials, local streets and roads, as well as transit.
- Debt service payments for current and anticipated bond issuances.

In preparing the 2008 RTP, SCAG asked each of the county transportation commissions to submit detailed capital costs for every highway and transit project proposed for the region. The 2008 RTP expenditure estimates also include capital costs for regionally significant arterials. Figure 13 shows an example of the standardized template that the county transportation commissions used to submit cost information for capital projects.

FIGURE 13
PROJECT COSTS BY CATEGORY

Engineering (07\$)	Right-of-Way (07\$)	Construction (07\$)	Total Costs (07\$)
\$2,000,000	\$4,000,000	\$49,000,000	\$55,000,000

PROJECT EXPENDITURES BY FUNDING SOURCE

Federal Funding (07\$)	Federal Funding Source	State Funding (07\$)	State Funding Source	Local Funding (07\$)	Local Funding Source	Private Funding (07\$)	Total Funding
\$45,000,000	FHWA CMAQ	\$7,000,000	STIP	\$3,000,000	Other	\$0	\$55,000,000

The next few sections describe specific economic assumptions and challenges in developing expenditure forecasts.

CAPITAL PROJECT COST ESCALATION

The recent, large increase in construction costs has been a major impediment to delivering transportation projects. The 2008 RTP relies on project cost estimates developed by the county transportation commissions. In some cases, the transportation commissions had to reduce the scope of projects to accommodate increases in transportation costs. All costs were submitted in constant 2007 dollars and inflated by 5.3 percent annually to estimate future, nominal costs.

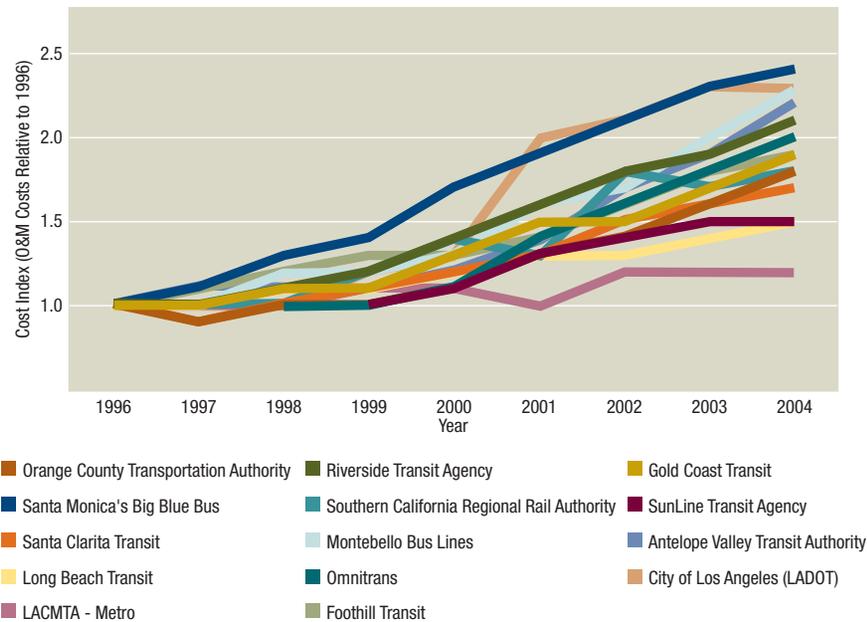
HIGHWAY PRESERVATION COSTS

In California, highway preservation needs are funded through the SHOPP, which is allocated from the State Highway Account before money is made available for capital projects. The 2008 RTP assumes that highway preservation needs are funded from the State Highway Account consistent with historical preservation funding in California. The 2007 Ten-Year SHOPP Plan suggests that highway preservation needs are growing faster than historic expenditure, which leaves an unfunded need. Statewide, the 2007 Ten-Year SHOPP Plan identifies \$4.2 billion in annual needs, while expenditures programmed for the next for years are only \$1.9 billion.

TRANSIT OPERATING AND MAINTENANCE (O&M) COSTS

Future transit O&M costs are difficult to predict because they depend on a variety of factors, such as future revenue-miles of service, labor contracts, and the age of rolling stock. The addition of new transit service and capital projects, such as the Mid-City/ Exposition Corridor Light Rail Transit (LRT), can add to ongoing O&M costs. Over the last decade, these O&M costs grew 1 to 10 percent annually depending on the transit operator (see Figure 14). Some of the differences in O&M growth are due to rapid expansion among the newer operators and outsourcing among the older operators.

FIGURE 14 GROWTH IN TRANSIT OPERATING AND MAINTENANCE COSTS



Source: SCAG Analysis of National Transit Database Statistics

For the 2008 RTP, transit O&M costs are estimated based upon historical increases:

- The regional average increase (4 percent) is used for most operators. This assumes that some of the extraordinary increases for individual operators due to rapid expansion will not continue into the future.
- For Los Angeles County, the financial plan relies on detailed forecasts from the county transportation commission. These forecasts are consistent with historical data and take into account large shifts in O&M costs due to major capital projects.

DEBT SERVICE

Local agencies in the SCAG region have historically relied on debt financing to ensure that revenues are available to meet the cash flow requirements of capital expenditures. The Los Angeles County Metropolitan Transportation Authority (LACMTA - Metro) has a detailed county financial model that estimated debt service on a project basis. Other county transportation commissions prepare debt service forecasts for rating agencies and report current debt service in their comprehensive annual financial reports (CAFRs). The 2008 RTP includes all outstanding commitments and interest payments on future bonds and commercial paper. Issued debt is expected to remain under debt ceilings. For counties without an established policy, debt service is assumed to be constrained to 50 percent of revenues.

Summary of Revenue Sources and Expenditures

As shown in Figure 15, capital projects total \$258.1 billion in nominal dollars. O&M costs total \$216.0 billion while debt service obligations total \$57.4 billion. Transit related costs compose the largest share of O&M costs for the region totaling \$164.4 billion. This expenditure summary meets a total regional budget of \$531.5 billion over the 2008 RTP time horizon as shown with Figure 16.

FIGURE 15 2008 RTP EXPENDITURE SUMMARY
\$531.5 BILLION (IN NOMINAL DOLLARS) FY2007-2036

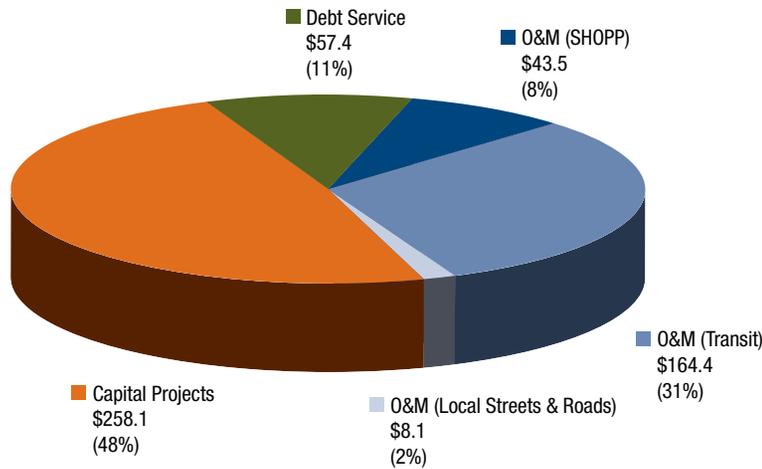
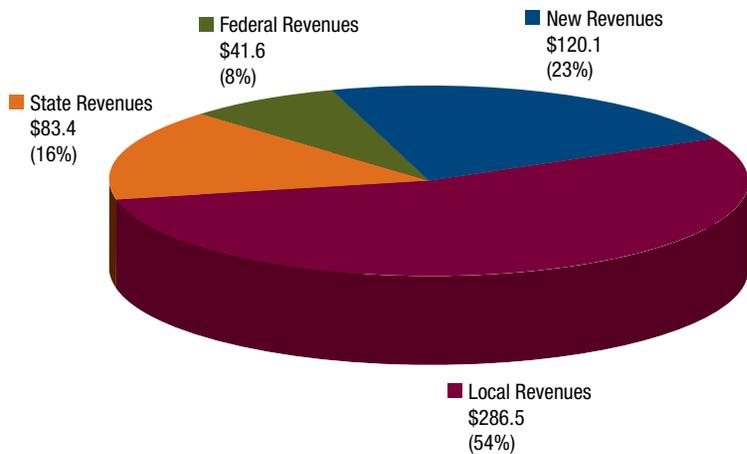


FIGURE 16 2008 RTP REVENUE SUMMARY
\$531.5 BILLION (IN NOMINAL DOLLARS) FY2007-2036



As shown in Figure 17, transit and highway costs (both capital and O&M) are roughly comparable at 41 and 36 percent, respectively, of RTP expenditures for each category. About 12 percent of costs are attributable to an “other” category reflecting proposed investments in HSRT systems as well as freight

rail capacity and grade separation improvements. Consistent with historical practice, agencies in the region are expected to bond against future revenues to provide additional funding in the early years of the plan. As a result, debt service equal to historical payments and future bonding needs have been included as part of the RTP. Anticipated debt service payments make up 11 percent of total costs. Figure 17 also provides a comparison to available revenues. About 67 percent of total revenues are flexible sources while the remaining balance is required to support specific modal categories.

FIGURE 17 SCAG REGION REVENUES COMPARED TO COSTS BY MODE



Note: Numbers may not add due to rounding.

The following Table 5 provides details of the SCAG region’s 2008 RTP revenue forecast by source in five-year increments. This is followed by Table 6, which provides details of the region’s expenditures by category in five-year increments.

TABLE 5 2008 REGIONAL TRANSPORTATION PLAN REVENUES (IN NOMINAL DOLLARS, BILLIONS)

REVENUE SOURCES		FY2007-11	FY2012-16	FY2017-21	FY2022-26	FY2027-31	FY2032-36	TOTAL
LOCAL	Sales Tax	\$14.3	\$19.4	\$26.0	\$34.1	\$44.8	\$59.7	\$198.3
	– County	10.7	14.4	19.3	25.1	32.8	43.3	145.6
	– Transportation Development Act	3.6	5.0	6.7	9.0	12.0	16.4	52.7
	Gas Tax (Subvention to Cities & Counties)	1.1	1.2	1.3	1.4	1.5	1.6	8.0
	Other Local Funds	2.5	4.5	3.2	4.6	3.5	1.6	20.0
	Transit Fares	3.1	4.5	5.7	7.3	9.3	11.3	41.2
	Tolls	0.3	0.4	0.4	0.5	0.6	0.8	3.0
	Mitigation Fees	1.3	1.7	2.3	2.3	3.4	5.0	15.9
LOCAL TOTAL	\$22.6	\$31.7	\$39.0	\$50.3	\$63.0	\$79.8	\$286.5	
STATE	State Highway Operations and Protection Program (SHOPP)	5.3	5.3	5.7	5.7	5.7	5.7	33.3
	State Transportation Improvement Program (STIP)	2.9	2.2	2.4	2.5	2.7	3.1	15.9
	– Regional - RTIP	2.2	1.7	1.8	1.9	2.1	2.3	11.9
	– Interregional - ITIP	0.7	0.6	0.6	0.6	0.7	0.8	4.0
	Traffic Congestion Relief Program, Propositions 42 and 1A	2.0	1.8	2.0	2.3	2.8	3.4	14.3
	State Transit Assistance (STA)	0.8	1.0	1.3	1.6	2.0	2.4	9.1
	Proposition 1B	7.2	2.9	0.0	0.0	0.0	0.0	10.1
	Other (1)	0.1	0.1	0.1	0.1	0.1	0.2	0.7
STATE TOTAL	\$18.3	\$13.3	\$11.4	\$12.2	\$13.3	\$14.7	\$83.4	
FEDERAL	Federal Transit	\$2.9	\$2.5	\$2.9	\$3.2	\$3.3	\$4.2	\$19.0
	– Federal Transit Formula	1.9	2.0	2.3	2.7	3.1	3.8	15.8
	– Federal Transit Non-Formula	1.0	0.4	0.6	0.5	0.2	0.5	3.1
	Federal Highway & Other	\$3.0	\$3.1	\$3.6	\$3.5	\$4.2	\$5.1	\$22.6
	– Congestion Mitigation and Air Quality	1.3	1.6	1.8	1.3	1.6	1.9	9.5
	– Surface Transportation Program (Regional)	1.1	1.3	1.5	1.9	2.2	2.7	10.6
	– Other (2)	0.7	0.2	0.3	0.3	0.4	0.6	2.5
FEDERAL TOTAL	\$5.9	\$5.6	\$6.5	\$6.7	\$7.5	\$9.3	\$41.6	
INNOVATIVE FINANCING & NEW REVENUE SOURCES	Private Equity Participation	1.1	1.5	1.8	0.0	0.0	0.0	4.4
	TIFIA Loans	0.0	0.0	0.0	0.0	0.0	0.9	0.9
	Value Capture Strategies	1.0	1.4	1.4	0.0	0.0	0.0	3.7
	Highway Tolls (including bond proceeds)	0.1	2.3	4.8	3.1	3.8	7.8	22.0
	Port Container Fee (including railroad fee and bond proceeds)	4.0	9.4	7.8	6.3	6.3	7.7	41.5
	Riverside Co. Measure A - BANS	0.0	0.0	0.0	0.0	0.0	1.5	1.5
	Federal EPA Funding for clean freight rail technology	0.0	0.8	1.1	0.0	0.0	0.0	1.9
	Interest Earnings	0.0	0.3	0.1	0.0	0.0	0.0	0.4
	HSRT passenger user fee & private contribution	8.7	8.7	8.7	0.0	0.0	0.0	26.2
	Private Activity Bonds (included in container fee estimate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	State and Federal Gas Excise Tax Adjustment	0.0	3.4	3.4	3.4	3.4	3.4	17.0
Local Option Sales Tax Extension (Imperial County)	0.0	0.1	0.1	0.1	0.2	0.3	0.8	
Innovative Financing Total	\$14.9	\$27.9	\$29.2	\$13.0	\$13.7	\$21.5	\$120.1	
REVENUE TOTAL	\$61.7	\$78.6	\$86.1	\$82.2	\$97.5	\$125.4	\$531.5	

(1) Service Authority for Freeways and Expressways (SAFE), Freeway Service Patrol, Air Quality Vehicle Registration Fee (AB 2766), Environmental Enhancement and Mitigation.

(2) Includes other federal programs, such as Regional Transportation Enhancements, Highway Bridge Replacement and Rehabilitation, Homeland Security Grants, Bus Preferential Signal Systems, Highway Earmarks, local assistance, Hazard Elimination Safety, and Railroad/Highway Grade Crossing Protection (Section 130).

Numbers may not add due to rounding.

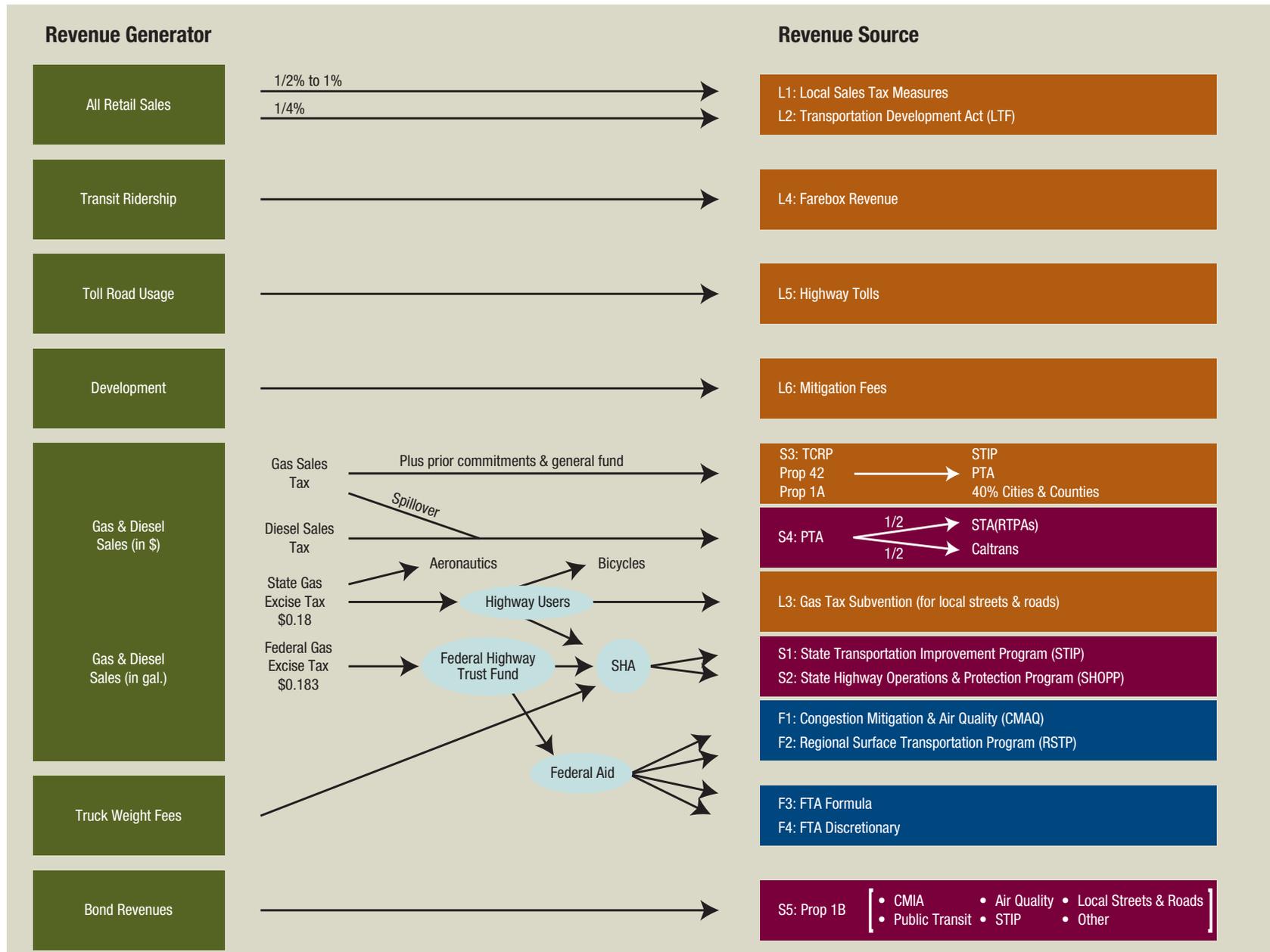
Notes:

TABLE 6 2008 REGIONAL TRANSPORTATION PLAN EXPENDITURES (IN NOMINAL DOLLARS, BILLIONS)

RTP COSTS	FY2007-11	FY2012-16	FY2017-21	FY2022-26	FY2027-31	FY2032-36	TOTAL
Capital Projects:	\$42.5	\$51.6	\$52.5	\$32.2	\$38.4	\$41.0	\$258.1
Arterials	3.9	3.8	3.3	3.6	3.7	6.5	24.8
Grade Separation	2.6	4.5	0.2	0.1	0.7	2.1	10.2
HOV	2.3	2.2	3.3	1.3	1.5	0.9	11.5
Mixed Flow	6.7	8.0	8.0	7.8	11.1	2.7	44.3
Toll Facilities	1.5	7.5	13.7	4.8	2.8	8.5	38.7
ITS	0.4	0.3	0.4	0.6	1.2	0.1	3.0
Transit	9.6	8.8	8.1	8.6	11.1	8.2	54.5
High Speed Regional Transport - Passenger	9.7	9.7	9.7	0.0	0.0	0.0	29.1
High Speed Regional Transport - Freight	2.0	2.3	2.4	3.2	3.6	4.4	17.9
Other (1)	4.0	4.4	3.4	2.1	2.7	7.5	24.1
Operations and Maintenance:	\$19.7	\$24.8	\$30.7	\$37.5	\$46.0	\$57.2	\$216.0
Highway	5.5	6.4	7.3	7.6	8.1	8.5	43.5
Transit	13.1	17.2	22.1	28.5	36.5	47.1	164.4
Local Streets and Roads	1.2	1.2	1.3	1.4	1.5	1.6	8.1
Debt Service	\$2.7	\$5.3	\$8.4	\$10.8	\$12.6	\$17.6	\$57.4
COST TOTAL	\$65.0	\$81.7	\$91.5	\$80.5	\$97.1	\$115.7	\$531.5

Note: (1) Includes: Rail Capacity Expansion, Truck Climbing, Non-Motorized, TDM and contingencies.
Numbers may not add due to rounding.

APPENDIX A: Transportation Funding in the SCAG Region



APPENDIX B: Details about Revenue Sources

LOCAL REVENUE SOURCES

LOCAL OPTION SALES TAX MEASURES

Description:

Revenues are derived from locally imposed ½ percent sales taxes for select counties. Five counties in the SCAG region including Imperial, Los Angeles, Orange, Riverside and San Bernardino currently have sales tax measures.

These local sales taxes are dedicated to transportation expenditures for a limited time. In Imperial County, Measure D will expire in 2010. In Orange County, Measure M was recently renewed through the year 2041. San Bernardino County renewed Measure I through the year 2040. Riverside County renewed its Measure A program through the year 2039. Los Angeles County levies a permanent 1 percent tax (a combination of two ½ cent sales taxes). Ventura County is the only county in the region without a local sales tax measure.

Base Year:

FY2006

Data Sources:

Sales tax forecast data provided by the local transportation commissions; UCLA Anderson Forecast; historical data on revenues reported by the State Board of Equalization (SBOE) in 1985 through 2005 Annual Reports, Table 21C.

Real Growth Rate:

The growth rates are consistent with those for the Transportation Development Act (TDA) since both sources are tied to sales tax revenue generation:

- Imperial – 2.4 percent
- Los Angeles – 1.2 percent

- Orange – 2.1 percent
- Riverside – 4.7 percent
- San Bernardino – 3.4 percent
- Ventura – 3.5 percent

Revenue Total:

\$145.6 billion (nominal dollars)

TRANSPORTATION DEVELOPMENT ACT (LOCAL TRANSPORTATION FUND)

Description:

The Transportation Development Act (TDA) provides two major sources of funding for public transportation: the Local Transportation Fund (LTF) and the State Transit Assistance (STA) fund. LTF funds are derived from a quarter cent sales tax on retail sales statewide. Funds are returned to the county of tax generation. This category includes Article 3, 4, 4.5 and 8 of the Government Code. In the SCAG region, TDA funds are used for mostly transit operations and transit capital expenses. Article 3 funds support bicycle and pedestrian facilities.

Base Year:

FY2006

Data Sources:

Sales tax forecast data provided by the local transportation commissions; also UCLA Anderson Forecast; historical data on revenues reported by the State Board of Equalization (SBOE) in 1979 through 2005 Annual Reports, Table 21B.

Real Growth Rate:

- Imperial – 2.4 percent
- Los Angeles – 1.2 percent

- Orange – 2.1 percent
- Riverside – 4.7 percent
- San Bernardino – 3.4 percent
- Ventura – 3.5 percent

Revenue Total:

\$52.7 billion (nominal dollars)

GAS EXCISE TAX SUBVENTIONS

Description:

Gas tax subventions to counties and cities in the region.

Base Year:

FY2006

Data Sources:

Gas tax subvention revenue data was collected for each city and county in the SCAG region from the California State Controller, Street and Roads Annual Reports (Tables 3 and 9). Growth in subvention revenues is based on an assumption of no growth. This was compared to vehicle fuel consumption forecasted by the California Department of Transportation, “California Motor Vehicle Stock, Travel and Fuel Forecast” (MVSTAFF), December 30, 2005.

Revenues for the forecast are shown in proportion to the percentage of streets and roads that are regionally significant in each county. Regionally significant streets and roads are generally classified as either arterials or collectors.

The proportion of regionally significant roads is consistent with the 2004 RTP and is based upon road classification and lane-mile data collected from the California Department of Transportation and local county transportation commissions. The proportion of arterials and collectors in each county was

calculated relative to the total lane-miles for that county and applied to the total subvention revenues for the county. The percentages are:

- Imperial – 39 percent
- Los Angeles – 46 percent
- Orange – 50 percent
- Riverside – 37 percent
- San Bernardino – 45 percent
- Ventura – 41 percent

Real Growth Rate:

0.0 percent

Revenue Total:

\$8.0 billion (nominal dollars)

TRANSIT FAREBOX REVENUE

Description:

Transit fares collected by transit operators in the SCAG region.

Base Year:

FY2006

Data Sources:

Historical fare revenue data were collected from the California State Controller Report, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1978 through 2004-05, Table 1 – Statement of Revenues and Expenses. Additional fare revenue projections were derived from financial sections of long-range transportation plans from the Los Angeles County Metropolitan Transportation Authority (LACMTA) and the Orange County Transportation Authority (OCTA). Revenues in the forecast account for fixed route services

(e.g. bus, urban rail, and light rail), smart shuttles, paratransit and dial-a-ride services. Revenues were forecasted separately for 14 major regional operators in addition to other operators in the region.

Fare revenue forecasts were also collected from the Southern California Regional Rail Authority (SCRRA) for the Metrolink commuter rail system. The commuter rail revenues are distributed among the counties that support the rail service, based on data provided in the SCRRA Strategic Assessment.

Real Growth Rate:

Historically, the region has experienced a real growth rate in fare revenues of about 2.2 percent. The following rates were used in the forecast:

- Los Angeles – 0.2 percent (consistent with the LACMTA long-range plan and slightly less than historical growth)
- Orange – 2.0 percent (consistent with the OCTA long-range plan and considerably less than historical growth)
- Metrolink Regional System – 3.5 percent (consistent with the SCRRA Strategic Assessment)
- Other Transit Operators in the Region – 2.2 percent (historical regional average)

These rates result in fare revenue growth well below historical averages.

Revenue Total:

\$41.2 billion (nominal dollars)

HIGHWAY TOLLS

Description:

Revenues generated from toll roads are included in this category. The Transportation Corridor Agencies are two separate government entities – the San Joaquin Hills Transportation Corridor Agencies, which oversees the San

Joaquin Hills (SR-71) toll road, and the Foothill/Eastern Transportation Corridor Agencies, which oversees the Foothill (SR-241) and Eastern (SR-241, SR-261, and SR-133) toll roads. The Orange County Transportation Authority (OCTA) operates the SR-91 toll road and revenues are used for that facility exclusively. SR-91 toll revenues are included in the innovative highway toll finance category.

Forecasting future toll revenues requires estimates of future numbers of vehicles using the facilities and the tolls being charged. The RTP forecasts toll revenues consistent with the OCTA long-range transportation plan, which expects no growth in revenues. This is a conservative assumption compared to historical growth of about 3.8 percent.

Base Year:

FY2006

Data Sources:

Foothill/Eastern Transportation Corridor Agency, Financial Statements, June 30, 2006; San Joaquin Hills Transportation Corridor Agency, Financial Statements, June 30, 2006; LeCG, Economic Benefits of Toll Roads Operated by the Transportation Corridor Agencies Executive Summary, June 2006; and 2005 Transportation Corridor Agencies Annual Report.

Real Growth Rate:

0.0 percent

Revenue Total:

\$3.0 billion (nominal dollars)

MITIGATION FEES

Description:

This category includes revenues generated from development impact fees. These fees are based on the general principle that future development within a specified area/jurisdiction will benefit from the construction of transportation improvements. Fees are assessed on new residential and non-residential (e.g., commercial and industrial) development. Within the SCAG region, a number of programs fund regionally significant transportation investments—Transportation Corridor Agency (TCA) development impact fee program; Riverside County’s Transportation Uniform Mitigation Fee (TUMF for both the Coachella Valley and Western Riverside County); and San Bernardino County’s Development Impact Fee (DIF) program.

The RTP financial forecast is consistent with revenue forecasts from Riverside County Transportation Commission (RCTC), and San Bernardino Associated Governments (SANBAG). The growth in mitigation fees is consistent with projected growth in retail sales.

Base Year:

Various

Data Sources:

Revenue forecast collected from Coachella Valley Association of Governments (CVAG); Western Riverside Council of Governments (WRCOG); Riverside County Transportation Commission (RCTC), and San Bernardino Associated Governments (SANBAG). Additional sources—Foothill/Eastern Transportation Corridor Agency, Financial Statements, June 30, 2006; San Joaquin Hills Transportation Corridor Agency, Financial Statements, June 30, 2006; LeCG, Economic Benefits of Toll Roads Operated by the Transportation Corridor Agencies Executive Summary, June 2006; 2005 Transportation Corridor Agencies Annual Report; and California State Controller, Transportation Planning Agencies Annual Report, Fiscal Years 1987-88 through 2004-05, Table 1 - Statement of Revenues for All Fund Types.

Real Growth Rate:

- Coachella Valley TUMF – 4.7 percent
- Western Riverside TUMF – 4.7 percent
- SANBAG DIF – Not applicable
- TCA Development Impact Fee – Not applicable

Revenue Total:

\$15.9 billion (nominal dollars)

LOCAL AGENCY FUNDS

Description:

Includes local revenue sources such as transit advertising and auxiliary revenues, lease revenues, and interest and investment earnings from reserve funds. For Los Angeles County, interest income from Propositions A and C, the Local Transportation Fund, State Transit Assistance are included under this source. Income from financing is also included, while principal and interest payments are included as part of debt service. For Orange County, interest income from Measure “M” and the Local Transportation Fund, as well as several transit-related programs, are included.

Base Year:

FY2006

Data Source:

Revenues are based on financial data from transit operators and local county transportation commissions.

Real Growth Rate:

Not applicable

Revenue Total:

\$20.0 billion (nominal dollars)

STATE REVENUE SOURCES**STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)****Description:**

The State Highway Account (SHA) is funded through a combination of state gas excise tax, the Federal Highway Trust Fund, and truck weight fees. The STIP is a five-year capital improvement program that provides funding from the SHA for capital projects that increase the capacity of the transportation system. The STIP may include projects on state highways, local roads, intercity rail, or public transit systems. The STIP is renewed every two years and consists of separate projects. The Regional Transportation Planning Agencies (RTPAs) propose 75 percent of STIP funding for regional transportation projects in Regional Transportation Improvement Programs (RTIPs). Caltrans proposes 25 percent of STIP funding for interregional transportation projects in the Interregional Transportation Improvement Program (ITIP).

Funds are based on the 2006 STIP program of projects for the five years covering FY's 2006 through 2010. The 2008 STIP is to be adopted by April 2008 which will likely contain a different transportation funding program. Starting in FY 2011, the average allocation from the 2006 STIP program is included and grown by forecasted changes in fuel consumption. The California Department of Transportation projects that fuel consumption will increase by 1.7 percent over the RTP timeframe. However, the RTP adopts a more conservative assumption of no growth in fuel consumption.

The RTP uses long-range forecasts of STIP revenues provided by OCTA and LACMTA for Orange and Los Angeles counties. OCTA assumes no real growth

in STIP funds starting in FY2011, while LACMTA assumes no growth in nominal terms starting in FY2015. In constant dollar terms, STIP funding is declining in Los Angeles County over the RTP period.

Base Year:

FY2006

Data Sources:

California Transportation Commission, 2006 STIP Staff Recommendations Update Summary, April 27, 2006; Growth in STIP is based on vehicle fuel consumption forecasted by the California Department of Transportation, "California Motor Vehicle Stock, Travel and Fuel Forecast (MVSTAFF), December 30, 2005.

Real Growth Rate:

- 0.0 percent (no growth in fuel consumption) for most counties
- 0.0 percent in nominal terms for Los Angeles County

Revenue Total:

\$15.9 billion (nominal dollars)

STATE HIGHWAYS OPERATION AND PROTECTION PLAN (SHOPP)**Description:**

The SHOPP is a four-year program that provides funding from the SHA to be used for projects that reduce collisions and hazards to motorists, preserve and rehabilitate bridges and roadways, enhance and protect roadsides, and improve the operation of the state highway system. It does not include projects that increase the capacity of the transportation system. SHOPP revenues are taken "off the top" before allocations are made for the STIP.

Short-term SHOPP revenues are based on the 2004, 2006, and 2008 SHOPP programs provided by the California Department of Transportation. These

overlapping programs provide funds that cover FY2004 to FY2007, FY2006 to FY2009, and FY2008 to FY2011. Starting in FY2012, long-term SHOPP revenues are estimated by the average of annual revenues during the 2004, 2006, and 2008 SHOPP programs grown by forecasted changes in fuel consumption. To estimate the average, the revenues in the 2008 SHOPP program for FY2010 and FY2011 are doubled.

The California Department of Transportation projects that fuel consumption will increase by 1.7 percent over the RTP timeframe. However, the RTP adopts a more conservative assumption of no growth in fuel consumption.

The 2007 10-Year SHOPP Plan estimates highway preservation needs are growing faster than historic expenditures, which leaves unfunded needs. Statewide, the 2007 Ten-Year SHOPP Plan identifies \$4.2 billion in annual needs, while expenditures programmed for the next four years are only \$1.9 billion annually. The 2008 RTP expects this shortfall to be addressed by an adjustment to the gas tax consistent with historical trends.

Base Year:

FY2006

Data Sources:

California Department of Transportation, 2004 SHOPP, Approved April 8, 2004; California Department of Transportation, 2006 SHOPP as of July 2006 CTC Meeting; Growth in SHOPP is based on vehicle fuel consumption forecasted by the California Department of Transportation, "California Motor Vehicle Stock, Travel and Fuel Forecast (MVSTAFF), December 30, 2005.

Real Growth Rate:

0.0 percent (no growth in fuel consumption) after 2011

Revenue Total:

\$33.3 billion (nominal dollars)

STATE GASOLINE SALES TAX

Description of Traffic Congestion Relief Program (TCRP):

AB 2928 (Torlakson), SB 1662 (Burton), and SB 406 (Ortiz) originally committed approximately \$8.2 billion in new transportation funding statewide. Of this amount, approximately \$5 billion was expected to fund the Governor's Traffic Congestion Relief Program (TCRP) between 2001 and 2006, with the SCAG region receiving approximately \$2.4 billion. The new revenues were to cover a portion of the cost for specified projects. The local transportation commissions in the region provided input as to the estimated annual funding amounts during the six-year period.

Due to severe state budget crises, the TCRP program was delayed by two years (through FY2008). In addition, revenues already transferred from the General Fund to the TCRP program were loaned back to the General Fund, with repayment by FY2006. TCRP funding was also fully suspended in FY2004 with repayment planned for 2009, but not guaranteed. As a result, project delivery of TCRP projects was severely limited.

Description of Propositions 42 and 1A:

Proposition 42, passed by the general electorate in March 2002, amended the State Constitution to transfer state sales taxes on gasoline, other than revenues calculated under the spillover formula, from the General Fund to the Transportation Investment Fund (TIF) for transportation purposes beginning in FY2003. Proposition 42 extends indefinitely the core elements of the TCRP program set to expire in FY2008. It maintains the formula allocation programs established by the TCRP, minus the program of specific projects selected by the Governor. The STIP receives 40 percent of the revenue, local streets and roads would receive 40 percent, and transit 20 percent.

Continued state budget problems raised concerns about the certainty in Proposition 42 funding.

In November 2006, Proposition 1A was enacted to limit the conditions under which Proposition 42 transfers can be suspended and require that all outstand-

ing loans of Proposition 42 funds to the General Fund be repaid in annual increments by June 30, 2016. In light of this, the financial forecast assumes implementation of this revenue program by FY 2009, recognizing the will and vote of the California people.

The financial forecast assumes each county receives its fair share of TCRP revenues based upon county population. Future revenues are expected to grow by the increase in retail sales. Historically, retail sales grew by 3.1 percent statewide between FY1974 and FY2004. However, the RTP adopts a more conservative assumption of no growth in revenues.

For Los Angeles and Orange Counties, the RTP uses forecasts provided by LACMTA and OCTA. LACMTA expects no growth over the RTP time period (with some variation by year) for Los Angeles County. OCTA expects modest growth of about 1 percent.

Base Year:

FY2006

Data Sources:

California Board of Equalization, 1979 through 2005 Annual Reports, Tables 18 and 20; California Department of Finance, E-2. California County Population Estimates and Components of Change by Year — July 1, 2000–2006, December 2006.

Real Growth Rate:

- 0.0 percent (no growth in sales tax revenue) for most counties
- 1.0 percent for Orange County

Revenue Total:

Part of \$14.3 billion (nominal dollars) for total State Gasoline Sales Tax

STATE TRANSIT ASSISTANCE FUND (STA) FROM THE PUBLIC TRANSPORTATION ACCOUNT

Description:

The Public Transportation Account (PTA) is a trust fund that derives its revenues from a 4.75 percent sales tax on diesel fuel, a 4.75 percent sales tax on the 9-cent state excise tax on gasoline, and “spillover” funds (4.75 percent tax on all taxable sales minus 5 percent tax on all taxable sales minus gasoline). One half of the PTA trust fund is directed toward the State Transit Assistance Fund (STA).

Actual historical funding figures are reported by the California State Controller. Future funding is estimated using representative historical data and the growth in fuel consumption. Consistent with other funding sources, the RTP forecasts no real growth in STA funding.

For Los Angeles and Orange Counties, the RTP uses forecasts provided by LACMTA and OCTA. LACMTA expects nominal growth roughly equal to inflation over the RTP time period for Los Angeles County. OCTA expects modest growth of about 1.4 percent in real terms.

Base Year:

FY2006

Data Sources:

California State Controller, Transportation Planning Agencies Annual Report, Fiscal Years 1987-88 through 2004-05, Table 1 - Statement of Revenues for All Fund Types; Growth in STA is based on vehicle fuel consumption forecasted by the California Department of Transportation, “California Motor Vehicle Stock, Travel and Fuel Forecast (MVSTAFF), December 30, 2005.

Real Growth Rate:

- 0.0 percent (no growth in sales tax revenue) for most counties
- 1.4 percent for Orange County

Revenue Total:

\$9.1 billion (nominal dollars)

PROPOSITION 1B (HIGHWAY SAFETY, TRAFFIC, AIR QUALITY, AND PORT FUND)

Description:

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by the voters as Proposition 1B on November 7, 2006, authorizes \$19.9 billion over the next several years to fund existing and new statewide transportation-related infrastructure programs and projects. Legislation enacted together with the budget further defines how several of these programs work.

The Act includes a program of \$4.5 billion in funding to be deposited into the Corridor Mobility Improvement Account (CMIA). CMIA funds are to be available to the California Transportation Commission, upon appropriation in the annual Budget Bill by the Legislature, for allocation to performance improvements on the state highway system or major access routes to the state highway system. The CMIA presents a unique opportunity for the State's transportation community to provide demonstrated congestion relief, enhanced mobility, improved safety, and stronger connectivity to benefit traveling Californians. The RTP assumes the appropriate population shares of CMIA funding.

The Act includes \$2 billion for the Trade Corridor Improvement Fund, which is available to the California Transportation Commission upon appropriation in the annual Budget Bill by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for infrastructure improvements along federally designated "Trade Corridors of National Significance" in this state or along other corridors within this state that have a high volume of freight movement. The Commission is to consult the State Goods Movement Plan, goods movement plans adopted by regional transportation planning agencies, regional transportation plans, and Cal-MITSAC Statewide

Port Master Plan. Consistent with the State's 2005 Goods Movement Action Plan, a 77.5 percent funding share is assumed for SCAG region.

The Act authorizes \$2 billion in general obligation bond proceeds to be available for projects in the State Transportation Improvement Program (STIP) to augment funds otherwise available for the STIP from other sources. Under the Bond Act, the funds shall be deposited into the newly created Transportation Facilities Account (TFA) and shall be available, upon appropriation by the Legislature, in the same manner as other STIP funds. Revenues are estimated consistent with historical SCAG funding shares of the STIP.

The Act includes \$1 billion to be deposited into the newly created State-Local Partnership Program Account. The funds will be available to the California Transportation Commission, upon appropriation by the Legislature and subject to such conditions and criteria as the Legislature may provide by statute, for allocation over a five-year period to eligible transportation projects nominated by an applicant transportation agency. A dollar for dollar match of local funds is required for an applicant transportation agency to receive state funds under this program. The RTP assumes that funding in the SCAG region will be allocated according to population shares.

The Act includes funding for SHOPP improvements. \$750 million will be deposited in the newly created Highway Safety, Rehabilitation, and Preservation Account for highway safety, rehabilitation, and pavement preservation projects. \$250 million will be available for traffic light synchronization projects or other technology-based improvements to improve safety operations and the capacity of local streets and roads. Funds will be available to California Department of Transportation, upon appropriation by the Legislature, for the purposes of the state highway operation and protection program. Revenues are estimated consistent with historical SCAG funding shares of the RTIP and population shares for the ITIP.

The RTP assumes that all funds will be expended by FY2012.

Base Year:

FY2007

Data Sources:

California Department of Transportation, Proposition 1B – Transportation Bond, Corridor Mobility Improvement Account (CMIA), Initial Program of Projects, May 8, 2007; California Transportation Commission, Adoption of the Program of Projects for the Corridor Mobility Improvement Account (CMIA) March 15, 2007, Resolution CMIA-P-0607-02 Amending Resolution CMIA-P-0607-01; California Transportation Commission, Amendment of STIP Guidelines, Resolution G-06-20

Replacing Resolution G-05-07; California Transportation Commission, 2006 STIP Augmentation Fund Estimate, Summary of Targets and Shares, December 13, 2006; California Department of Transportation, Estimated Funding by County, Based on Formula Distribution as Included in SB 1266, June 27, 2006.

Real Growth Rate:

Not applicable

Revenue Total:

\$10.1 billion (nominal dollars)

OTHER STATE**Description:**

Other state sources include Service Authority for Freeways and Expressways (SAFE), Vehicle Registration Fee, Freeway Service Patrol, Air Quality Vehicle Registration Fee (AB 2766), Environmental Enhancement and Mitigation, and other miscellaneous state grants. The Clean Air and Transportation Improvement Act added Proposition 116 to use state general obligation bonds to finance rail infrastructure. The RTP uses forecasts provided by LACMTA for Los

Angeles County for consistency with the LACMTA long-range transportation plan. Other state revenues are not estimated for other counties.

Base Year:

FY2006

Data Source:

Revenues are based on financial data from transit operators and local county transportation commissions. Additional information is available in California State Controller, Transportation Planning Agencies Annual Report, Fiscal Years 1987-88 through 2004-05, Table 1 - Statement of Revenues for All Fund Types.

Real Growth Rate:

Not applicable

Revenue Total:

\$0.7 billion (nominal dollars)

FEDERAL REVENUE SOURCES**CONGESTION MITIGATION AND AIR QUALITY (CMAQ) PROGRAM****Description:**

The Congestion Mitigation and Air Quality (CMAQ) Program is a federal funding program to reduce traffic congestion and improve air quality in federally designated air quality non-attainment areas. CMAQ funding was reauthorized as part of SAFETEA-LU. With CMAQ formula changes under SAFETEA-LU, Imperial County is now a recipient of CMAQ funding along with the other five counties in the SCAG region.

Short-term revenues through FY2010 are based on apportionment estimates provided for each county by California Department of Transportation. Starting in FY2011, revenues are estimated to grow with increases in the Federal

Highway Trust Fund. The trust fund grew by 2.6 percent (2.3 percent in the highway account) from 1985 to 2005. However, recent appropriations have exceeded money available in the fund, so concern has increased over the future of the Federal Highway Trust Fund. The RTP uses the assumption that the federal government will adjust the federal highway gas tax to keep the trust fund solvent, but that the fund does not increase in future years.

OCTA provided CMAQ estimates for Orange County consistent with these assumptions. LACMTA assumes that CMAQ funding will remain unchanged in nominal dollars, but the RTP adopts zero growth in constant dollars for consistency across counties.

Reflecting improvements in air quality, the 2008 RTP assumes that the SCAG region will be in attainment for a number of pollutants and that the severity level for other pollutants will lessen as of 2020. To reflect these conditions, CMAQ funding is halved starting in 2020.

Base Year:

FY2006

Data Sources:

California Department of Transportation, Prior Year CMAQ Apportionments, October 20, 2006; California Department of Transportation, Revised Estimates to Reflect SB 1587 and Advanced Apportionments, October 20, 2006; California Department of Transportation, Revised SAFETEA-LU Estimates, February 2, 2006; Federal Highway Administration, Federal Highway Statistics 2005, Table FE-210: Status of the Federal Highway Trust Fund 1957-2005.

Real Growth Rate:

0.0 percent (no change in funding from Federal Highway Trust Fund)

Revenue Total:

\$9.5 billion (nominal dollars)

REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP)

Description:

The Regional Surface Transportation Program (RSTP) was established by California State Statute to utilize Surface Transportation Program funds, which are a federal source reauthorized under SAFETEA-LU. Projects eligible for RTPS funds include rehabilitation and new construction on any highways, included in the National Highway System (NHS) and Interstate Highways that are not functionally classified as local or rural minor collectors.

Short-term revenues through FY2010 are based on apportionment estimates provided for each county by California Department of Transportation. Starting in FY2011, revenues are estimated to grow with increases in the Federal Highway Trust Fund. As with CMAQ funding, the RTP uses the assumption that the federal government will adjust the federal highway gas tax to keep the trust fund solvent, but that the fund does not increase in future years.

OCTA provided RSTP estimates for Orange County consistent with these assumptions. LACMTA assumes that RSTP funding will remain unchanged in nominal dollars, but the RTP adopts zero growth in constant dollars for consistency across counties.

Base Year:

FY2006

Data Sources:

California Department of Transportation, Prior Year RSTP Apportionments, October 20, 2006; California Department of Transportation, RSTP 2006 FSTIP Estimates, January 30, 2006; Federal Highway Administration, Federal Highway Statistics 2005, Table FE-210: Status of the Federal Highway Trust Fund 1957-2005.

Real Growth Rate:

0.0 percent (no change in funding from Federal Highway Trust Fund)

Revenue Total:

\$10.6 billion (nominal dollars)

**FTA FORMULA - TRANSIT SECTIONS 5307, 5310, 5311, AND 5309
FIXED GUIDEWAY****Description:**

FTA Section 5307 provides revenues for transit projects in urbanized areas, including capital purchases or preventive maintenance of the transit fleet. Revenues are distributed to state urbanized areas by a formula based upon population, population density, and transit revenue miles of service.

FTA Section 5311 provides revenues for capital and operating expenses incurred by rural and small urban transit programs (areas with population under 50,000 as designated by the Bureau of the Census). FTA Section 5310 revenues are for specialized transit programs including programs for seniors and persons with disabilities. A portion of Section 5309 is provided for fixed-guideway rail improvements and is allocated by formula.

The California State Controller reports revenues received by SCAG region transit operators. The RTP uses the assumption that FTA formula revenues will increase in proportion with the Federal Highway Trust Fund. The trust fund grew by 2.6 percent (4.2 percent in the mass transit account) from 1985 to 2005. As with CMAQ funding, the RTP uses the assumption that the federal government will adjust the federal highway gas tax to keep the trust fund solvent, but that the fund does not increase in future years.

OCTA and LACMTA provided FTA formula estimates based on future increases in service and past allocations that yield results consistent with a no-growth assumption. The OCTA and LACMTA forecasts have been adopted for Orange and Los Angeles counties.

Base Year:

FY2006

Data Sources:

California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1999-00 through 2004-05, Table 1 - Statement of Revenues and Expenses; Federal Highway Administration, Federal Highway Statistics 2005, Table FE-210: Status of the Federal Highway Trust Fund 1957-2005.

Real Growth Rate:

0.0 percent (no change in funding from Federal Highway Trust Fund)

Revenue Total:

\$15.8 billion (nominal dollars)

FTA DISCRETIONARY - TRANSIT SECTION 5309 NEW STARTS AND BUS**Description:**

Section 5309 provides funding for major new start transit projects and bus purchases. For these purposes, funding is allocated on a discretionary basis. Section 5309 also provided funding for fixed guideway that is allocated by formula and included in the previous funding sources for the RTP.

The California State Controller reports revenues historically received by SCAG region transit operators. The RTP uses the assumption that, on average, operators will continue to receive discretionary fund in rough proportion to what they have received historically. Consistent with other federal sources from the Federal Highway Trust Fund, it is assumed that revenues will not grow in constant dollar terms.

OCTA and LACMTA provided FTA discretionary estimates based on future increases in service and past allocations. LACMTA assumes that discretionary revenues will remain constant in nominal terms. OCTA predicts that Or-

ange County's discretionary allocations will grow slower than inflation. The OCTA and LACMTA forecasts have been adopted for Orange and Los Angeles counties.

Base Year:

FY2006

Data Source:

California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1999-00 through 2004-05, Table 1 - Statement of Revenues and Expenses.

Real Growth Rate:

0.0 percent (SCAG region continues to receive comparable levels of discretionary funds)

Revenue Total:

\$3.1 billion (nominal dollars)

OTHER FEDERAL FUNDS

Description:

Includes other federal programs, such as Regional Transportation Enhancements, Highway Bridge Replacement and Rehabilitation, Homeland Security Grants, Bus Preferential Signal Systems, Highway Earmarks, local assistance, Hazard Elimination Safety, and Railroad/Highway Grade Crossing Protection (Section 130).

LACMTA provided forecasted revenues for Los Angeles County. For other counties, Highway Bridge Program revenues are estimated in the short-term using program allocations provided by the California Department of Transportation through FY2010. Longer-term estimates are based upon the no growth assumption used for other federal funding sources.

Base Year:

FY2006

Data Sources:

California Department of Transportation, Division of Local Assistance, 2006/2007 Highway Bridge Program, FSTIP#4 RPT; revenues are also based on financial data from transit operators and local county transportation commissions.

Real Growth Rate:

Not Applicable

Revenue Total:

\$2.5 billion (nominal dollars)

NEW REVENUE SOURCES/INNOVATIVE FINANCING

VALUE CAPTURE STRATEGIES

Description:

Refers to capturing the incremental value generated by transportation investments. A number of techniques are assumed: the formation of special districts, such as Benefit Assessment Districts, as well as the use of tax increment financing and joint development to provide gap financing for transit investments. Specific capital improvements reviewed include the Gold line extension, Purple line extension, and passenger HSRT system. Additionally, one-time proceeds from the sale of Caltrans owned property within the I-710 Tunnel vicinity are also included in this revenue category.

Historically, the region has utilized value capture strategies for transit development including the use of benefit assessments. In July 1985, for example, the Southern California Rapid Transit District (RTD) one of the predecessor agencies for the Los Angeles County Metropolitan Transportation Authority

(LACMTA) formed two Benefit Assessment Districts. Assessments received from these districts have been used to pay off bonds issued to pay a portion of the station construction costs for segments of the Metro Red Line.

Challenges to implementation for future transit investments, however, include working with the requirements of Proposition 218. Proposition 218 established procedural provisions regarding assessments including ballot and weighted voting requirements. Procedural considerations for implementation are discussed further in Appendix F.

Revenue estimates also reflect other opportunities for value capture financing include joint development and tax increment financing. Estimates were based on case study evaluations of past practices and current trends in transit oriented development efforts. Revenue generation can vary significantly by station area due to associated economic development potential.

Revenue estimates also include valuation of recent sales of parcels in close proximity to parcels along the SR-710 Tunnel Corridor. Property values were estimated based on classification of types of properties: improved (land contains permanent structures such as homes and businesses) or unimproved (vacant land with no permanent structures). Parcels were further classified according to zoning designation (residential, commercial, and industrial).

Base Year:

Various

Data Source:

LACMTA Benefit Assessment District Program, The IBI Group's Analysis of Economic Development Potential for Gold Line Extension, Los Angeles County Assessor's Office County Parcel Data; Gold Line Phase II Foothill Extension Final EIR—Financial Plan

Real Growth Rate:

Not Applicable

Revenue Total:

\$3.7 billion (nominal dollars)

LOCAL OPTION SALES TAX EXTENSION (IMPERIAL COUNTY)

Description:

Locally imposed ½ percent sales tax measure extension for Imperial County—existing Measure D expires in 2010

Base Year:

FY2011

Data Source:

UCLA Anderson Forecast; historical data on revenues reported by the State Board of Equalization (SBOE) in 1979 through 2005 Annual Reports, Table 21B.

Real Growth Rate:

2.4 percent consistent with Imperial County historical trends.

Revenue Total:

\$816 million (nominal dollars)

HIGHWAY TOLLS

Description:

Toll revenues generated from the SR-710 Gap Closure Tunnel. Also, tolls assumed for the I-710 Truck Lanes, High Desert Corridor, and CETAP Corridor. Toll revenues based on recent feasibility studies. Also, SR-91 extension toll revenues are extrapolated from SR-91 Express Lanes gross toll revenue. Esti-

mates are based on OCTA 2003 Toll Road Refunding Bonds Official Statement. This revenue category also includes toll revenue bond proceeds. A more detailed discussion of assumptions is provided below:

- **CETAP Bond Proceeds**

The financing plan anticipates the total issuance of \$3.97 billion in bonds for the 91 Express Lanes extension and Corridor A, with \$3.84 billion in proceeds and interest earnings available for capital expenditures. Bonds are assumed to be secured with toll revenues. The plan includes two separate bond issues. The first issue (in FY 2012-13) totals \$406 million in par value and finances the Express Lanes extension. The second is for MIS Corridor A. This second bond is issued in FY 2030-31, and totals \$3.56 billion in par value.

- **CETAP Toll Assumptions**

The financial plan assumes that tolls are levied on the 91 Express Lanes extension and MIS Corridors A, and that this revenue is used to pay debt service and operations and maintenance costs of the respective roads. Toll revenues for the Express Lanes extension is based on the traffic and revenue forecast prepared as part of the 2003 OCTA purchase of the toll road.¹ Traffic forecasts for MIS Corridors A is based on the FY 2029-30 projections included in the Riverside County-Orange County Major Investment Study Final Project Report: Locally Preferred Strategy Report, January 2006. For the years after FY 2029-30, the financial plan assumes an annual escalation rate of 4 percent.

- **SR-710 Tunnel Bond Proceeds**

The financing plan assumes that \$1.6 billion of toll revenue bonds are issued for the project, with \$1.3 billion in proceeds available for construction costs. The financing plan assumes the bonds have an average interest rate of 4 percent over 40 years. The annual debt service amounts are essentially level for the first 12 years and then increasing at 3 percent per year thereafter.

¹ Orange County Transportation Authority, Toll Road Revenue Refunding Bonds (91 Express Lanes) Series 2003-1, 2003-B-1 and 2003-B-2 Official Statement, p. 24.

- **SR-710 Tunnel Toll Revenues**

The financing plan assumes that the project will be tolled and that toll revenues will support debt service and operating costs for the life of the project. The plan includes a traffic and revenue forecast with annual revenue growth of approximately 3.8 percent between FY 2020-21 and 2029-30, 2.0 percent between FY 2030-31 and 2039-40, and 1 percent thereafter.

- **I-710 Truck Lanes Toll Revenues/Bond Proceeds**

The financing plan for the I-710 Truck Lanes includes a bond issued in FY 2014-15, totaling \$3.38 billion in par value and provides \$2.85 billion in proceeds. The FY 2014-15 bond issue funds the truck lanes and is supported by both toll revenues from the I-710 truck lanes and port container fees. Interest is capitalized until FY 2019-20 and the bonds are sized with a 1.30x debt service coverage ratio.

- **HDC Toll Revenues/Bond Proceeds**

The amount of toll revenue and toll revenue bonds available for the improvements is based on traffic projections in the North County Combined Highway Corridor Study.² Traffic is assumed to grow at 4 percent per year. The tolled roads are projected to generate a total of \$173.5 million in toll revenue in 2025. The toll revenue bonds are secured by net toll revenues, after payment of operating expenses. The par amount issued is limited by the projected net toll revenue in 2025 and assumed debt service coverage of 130 percent. The toll revenue bonds have a scheduled maturity of 30 years and have debt service that increases 3 percent per year.

Base Year:

Various—subject to capital project completion

² Parsons Transportation Group, North County Combined Highway Corridors Study, Final Report, June 24, 2004

Data Sources:

Reviewed other toll facility data sources including Foothill/Eastern Transportation Corridor Agency, Financial Statements, June 30, 2006; San Joaquin Hills Transportation Corridor Agency, Financial Statements, June 30, 2006; LeCG, Economic Benefits of Toll Roads Operated by the Transportation Corridor Agencies Executive Summary, June 2006; and 2005 Transportation Corridor Agencies Annual Report. Also, TCA 1995 Revenue Bonds OS, pp. 9-10; 2003 Toll Road Refunding Bonds OS, p. 24; and Series 1999, p. 7. Additional sources include Riverside County-Orange County Major Investment Study Final Project Report: Locally Preferred Strategy Report, Appendix B, January 2006, and SR-91 Implementation Plan, 2007. Also, Parsons Transportation Group, North County Combined Highway Corridors Study, Final Report, June 24, 2004.

Real Growth Rate:

0.0 percent to 4.0 percent

Revenue Total:

\$22.0 billion (nominal dollars); estimate includes anticipated bond proceeds

STATE AND FEDERAL GAS EXCISE TAX ADJUSTMENT TO MAINTAIN HISTORICAL PURCHASING POWER

Description:

Historical extrapolation of gas tax revenues equivalent to additional ten cent per gallon gasoline tax imposed by the State and Federal government starting in 2012. Forecast based on historical trends in adjustments for both state and federal gas excise taxes.

Base Year:

FY2012

Data Source: FHWA Highway Statistics Table FE-21B, Federal Highway User-Fees; California State Board of Equalization Annual Report 2005-06, Table 24, Gasoline and Jet Fuel Tax Statistics, 1923-25 to 2005-06.

Real Growth Rate:

0.0 percent

Revenue Total:

\$17.0 billion (nominal dollars)

CONTAINER FEES

Description:

Fees levied on each twenty-foot equivalent unit (“TEU”) handled by the Ports of Long Beach and Los Angeles. The financing plan assumes that port container fees are used for both capital costs and debt service. Total port container fee revenue is assumed to be available for goods movement related RTP projects. A charge is imposed on both full and empty containers. Container fees are assumed to be assessed at roughly \$30 per TEU—fees are directly linked to goods movement projects in the region. Revenue total also includes railroad user-fees estimated on a TEU basis (up to approximately \$15/TEU) for the rail capacity improvement program—see business plan in Appendix F for further details; revenue total includes anticipated bond proceeds.

Base Year:

FY2009-2010

Data Source: San Pedro Bay cargo growth projections based on Mercer Management forecasts as adjusted by Port of Los Angeles and Port of Long Beach

Real Growth Rate:

2.0 percent to 7.0 percent per Port of Los Angeles/Long Beach cargo projections

Revenue Total:

\$41.5 billion (nominal dollars) include railroad user fee and bond proceeds

PRIVATE EQUITY PARTICIPATION**Description:**

Public Private Partnership (PPP) arrangement whereby a private entity designs, finances, builds, operates, and maintains a facility under a lease arrangement for a fixed period of time.

Private capital is assumed for the financing of a number of projects including the SR-710 Tunnel and the HSRT system (freight only component assumed in this total). See separate discussion on passenger HSRT system. Appendix F includes a PPP proposal for the entire HSRT system.

The financing plan assumes the SR-710 Gap Closure Tunnel is privately financed, owned, and operated as well. A concession model is assumed wherein the tolls are remitted to the private owner. The plan includes \$651 million equity contribution from the private owner, which is recouped through future toll revenues. Also, cost efficiencies are included, totaling \$197 million for the SR-710 Tunnel.

Base Year:

Not Applicable

Data Source:

See Implementation Plan including proposed business plans in Appendix F.

Real Growth Rate:

Not Applicable

Revenue Total:

\$4.4 billion (nominal dollars)

PRIVATE ACTIVITY BONDS**Description:**

Partial interest savings from the issuance of tax-exempt private activity bonds for the freight rail investment program are assumed to offset some of the grade separation costs. The financing plan for the project relies on a private activity bond allocation of \$1.5 billion.

The freight rail investment program's tax-exempt debt has significantly lower interest rates in comparison to the taxable corporate debt that is available to the railroads. The availability of tax-exempt private activity bonds for the railroad portion of the project will reduce the interest costs from 7.7 percent to 4.6 percent. Total "interest cost" includes costs of issuing the bonds and are based on an assumed 7.5 percent taxable interest rate for freight rail corporate financing and current 1- to 30-year tax-exempt interest rates for insured California private-activity revenue bonds.

Base Year:

FY2009-2010

Data Source:

Title XI Section 11142 of SAFETEA-LU amends Section 142(a) of the IRS Code; also, see freight rail improvement program business case in Appendix F.

Real Growth Rate:

Not Applicable

Revenue Total:

\$0.4 billion (nominal dollars) – included in container fee total

FEDERAL FUNDING (EPA) FOR CLEAN FREIGHT RAIL TECHNOLOGY**Description:**

This financing plan assumes federal funding to mitigate locomotive emissions. In accordance with the proposed 2007 State Implementation Plan (SIP), it is assumed that the federal government (US EPA) will provide subsidies to mitigate locomotive emissions; the severity of the region’s PM2.5 problem make it necessary to mitigate locomotive emissions. Revenue estimate is based on SCAG’s recent analysis of costs associated with upgrades to Tier 4 locomotive engines. A more detailed discussion of cost assumptions is included in Appendix F—freight rail improvement program business case.

Base Year:

FY2012

Data Source:

2007 State Implementation Plan

Real Growth Rate:

Not Applicable

Revenue Total:

\$1.9 billion (nominal dollars)

INTEREST EARNINGS**Description;**

Interest earnings are assumed from toll bond proceeds (High Desert Corridor, CETAP, SR-710 Tunnel, and I-710 truck lanes). See toll bond revenue assumption for further details on bond proceeds and interest earnings.

Base Year:

Not applicable

Data Source:

Not Applicable

Real Growth Rate:

Not Applicable

Revenue Total:

\$0.4 billion (nominal dollars)

RIVERSIDE COUNTY MEASURE A (BOND ANTICIPATION NOTES)**Description:**

BANs are short-term debt financing strategies often used by local governments. The proceeds of a larger future issue are expected to cover anticipation notes. Short-term debt is assumed in the latter years of the RTP to help fund the CETAP Corridor with the sale of Measure A revenue bonds. Measure A funds are assumed to grow at a 4.7 percent annual rate and equal \$703 million in 2041. This amount of sales tax revenue can support a \$6.4 billion bond issue, assuming a 30-year term, level annual debt service, and 1.5 times debt service coverage. A 6-year bond anticipation note (“BAN”) is assumed to be issued, which is repaid with the proceeds of a 30-year bond. At a 4 percent interest rate, \$1.5 billion of BAN proceeds are available in 2033-2035 for the project.

Base Year:

FY2033-2035

Data Source:

Not Applicable

Real Growth Rate:

Not Applicable

Revenue Total:

\$1.5 billion (nominal dollars)

TIFIA LOAN**Description:**

The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) established a federal credit program for eligible transportation projects of national or regional significance under which the U.S. Department of Transportation (DOT) may provide three forms of credit assistance – secured (direct) loans, loan guarantees, and standby lines of credit. The DOT awards credit assistance to eligible applicants, which include state departments of transportation, transit operators, special authorities, local governments, and private entities.

The financing plan assumes that \$0.9 billion of TIFIA funding is available for payment of capitalized interest on the CETAP Corridor. TIFIA funding is used for debt service until toll revenues are available.

Base Year:

FY2014

Data Source:

SAFETEA LU Section 1601

Real Growth Rate:

Not Applicable

Revenue Total:

\$0.9 billion (nominal dollars)

HSRT PASSENGER (PRIVATE CONTRIBUTION & USER FEE)**Description:**

User-fee supported initiative for HSRT system. A concession model is assumed wherein the user-fees are remitted to the private owner for the HSRT freight and passenger system. Private sector entities would design, finance, build, operate, and maintain these systems. See HSRT Supplemental Report and Appendix for further details. Also, see proposed business plans in Appendix F of this Finance Report.

Base Year:

Not Applicable

Data Source:

The IBI Group, “Draft Southern California Transportation and Logistics,” American Maglev Technology unsolicited proposal (EMMI Logistics, Inc.).

Real Growth Rate:

Not Applicable

Revenue Total:

\$26.2 billion (nominal dollars) for the IOS

APPENDIX C: County-Level Financial Forecasts

Table 1 shows total RTP revenues by county including innovative financing strategies and new revenue sources. Table 2 shows total RTP expenditures by county along with regional initiatives (a number of regionally significant corridors and projects crossing multi-jurisdictional boundaries). Many of these regional initiatives will require new funding sources as identified in the revenue forecast table in addition to existing county transportation funds.

TABLE 1 2008 REGIONAL TRANSPORTATION PLAN REVENUE FORECAST (IN BILLIONS, NOMINAL DOLLARS)

REVENUE SOURCES		Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Regional	TOTAL
LOCAL	Sales Tax	0.4	110.9	31.0	30.2	22.7	3.2	0.0	198.3
	– County	0.0	88.8	20.9	20.8	15.1	0.0	0.0	145.6
	– Transportation Development Act	0.4	22.1	10.1	9.4	7.5	3.2	0.0	52.7
	Gas Tax (Subvention to Cities & Counties)	0.1	4.3	2.1	0.6	0.8	0.3	0.0	8.0
	Other Local Funds	0.0	14.9	4.3	0.3	0.4	0.0	0.0	20.0
	Transit Fares	0.0	28.4	7.0	2.5	1.8	1.5	0.0	41.2
	Tolls	0.0	0.0	3.0	0.0	0.0	0.0	0.0	3.0
	Mitigation Fees	0.0	0.0	1.4	12.5	2.0	0.0	0.0	15.9
	LOCAL TOTAL	\$0.6	\$158.4	\$48.8	\$46.1	\$27.6	\$5.0	\$0.0	\$286.5
STATE	State Highway Operations and Protection Program (SHOPP)	0.7	18.2	3.0	2.8	7.7	0.9	0.0	33.3
	State Transportation Improvement Program (STIP)	0.6	6.3	3.4	1.9	3.0	0.6	0.0	15.9
	– Regional - RTIP	0.5	4.8	2.6	1.4	2.2	0.5	0.0	11.9
	– Interregional - ITIP	0.2	1.6	0.9	0.5	0.7	0.2	0.0	4.0
	Traffic Congestion Relief Program, Prop 42, Prop1A	0.1	7.2	3.2	1.6	1.6	0.6	0.0	14.3
	State Transit Assistance (STA)	0.0	7.4	1.1	0.3	0.3	0.1	0.0	9.1
	Proposition 1B	0.1	6.1	1.6	0.9	1.0	0.4	0.0	10.1
	Other ⁽¹⁾	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.7
STATE TOTAL	\$1.6	\$45.8	\$12.3	\$7.4	\$13.5	\$2.7	\$0.0	\$83.4	
FEDERAL	Federal Transit Total	\$0.0	\$13.6	\$3.1	\$0.6	\$1.2	\$0.5	\$0.0	\$19.0
	– Federal Transit Formula	0.0	11.2	2.8	0.5	0.7	0.5	0.0	15.8
	– Federal Transit Non-Formula	0.0	2.3	0.2	0.1	0.4	0.0	0.0	3.1
	Federal Highway & Other Total	\$0.2	\$12.8	\$3.6	\$2.6	\$2.6	\$0.9	\$0.0	\$22.6
	– Congestion Mitigation and Air Quality	0.1	5.2	1.8	1.0	1.0	0.3	0.0	9.5
	– Surface Transportation Program (Regional)	0.1	6.3	1.5	1.0	1.1	0.5	0.0	10.6
	– Other ⁽²⁾	0.0	1.2	0.2	0.5	0.5	0.1	0.0	2.5
FEDERAL TOTAL	\$0.2	\$26.4	\$6.6	\$3.2	\$3.8	\$1.4	\$0.0	\$41.6	
INNOVATIVE FINANCING & NEW REVENUES	Private Equity Participation	0.0	0.0	0.0	0.0	0.0	0.0	4.4	4.4
	TIFIA Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.9
	Value Capture Strategies	0.0	0.4	0.0	0.0	0.0	0.0	3.3	3.7
	Highway Tolls (including surplus tolls and bond proceeds)	0.0	0.0	0.0	0.0	0.0	0.0	22.0	22.0
	Port Container Fee (including railroad fee and bond proceeds)	0.0	0.0	0.0	0.0	0.0	0.0	41.5	41.5
	Riverside Co. Measure A - BANS	0.0	0.0	0.0	0.0	0.0	0.0	1.5	1.5
	Federal EPA Funding for clean freight rail technology	0.0	0.0	0.0	0.0	0.0	0.0	1.9	1.9
	Interest Earnings	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
	HSRT passenger user fee & private contribution	0.0	0.0	0.0	0.0	0.0	0.0	26.2	26.2
	Private Activity Bonds (included in container fee estimate)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	State and Federal Gas Excise Tax Adjustment	0.3	9.6	2.5	1.4	2.7	0.6	0.0	17.0
Local Option Sales Tax Extension (Imperial County)	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.8	
Innovative Financing Total	\$1.1	\$10.0	\$2.5	\$1.4	\$2.7	\$0.6	\$101.9	\$120.1	
REVENUE TOTAL	\$3.4	\$240.6	\$70.2	\$58.2	\$47.6	\$9.7	\$101.9	\$531.5	

(1) Includes Service Authority for Freeways and Expressways (SAFE), Freeway Service Patrol, Air Quality Vehicle Registration Fee (AB2766), Environmental Enhancement and Mitigation.

(2) Includes other federal programs, such as Regional Transportation Enhancements, Highway Bridge Replacement and Rehabilitation, Homeland Security Grants, Bus Preferential Signal Systems, Highway Earmarks, Local Assistance, Hazard Elimination Safety, and Railroad/Highway Grade Crossing Protection (Section 130).

Note:

Numbers may not add due to rounding

TABLE 2 2008 REGIONAL TRANSPORTATION PLAN EXPENDITURE SUMMARY (IN BILLIONS, NOMINAL DOLLARS)

RTP COSTS	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Regional	TOTAL
Capital Projects:	\$2.4	\$65.8	\$32.6	\$37.9	\$23.8	\$4.0	\$91.7	\$258.1
Arterials	1.0	5.0	2.7	9.0	6.1	1.0	0.0	24.8
Grade Separation	0.0	0.3	0.9	1.3	1.5	0.2	6.0	10.2
HOV	0.0	3.5	2.8	1.3	3.9	0.1	0.0	11.5
Mixed Flow	1.2	4.7	10.0	20.6	7.0	0.8	0.0	44.3
Toll Facilities	0.0	0.0	6.1	0.9	0.0	0.0	31.8	38.7
ITS	0.0	2.0	0.0	0.3	0.6	0.2	0.0	3.0
Transit	0.0	37.8	8.7	3.7	2.8	1.4	0.0	54.5
High Speed Regional Transport - Passenger	0.0	0.0	0.0	0.0	0.0	0.0	29.1	29.1
High Speed Regional Transport - Freight	0.0	0.0	0.0	0.0	0.0	0.0	17.9	17.9
Other ¹	0.2	12.6	1.5	0.9	1.7	0.4	6.9	24.1
Operations and Maintenance:	\$1.0	\$138.1	\$35.8	\$14.4	\$20.9	\$5.7	\$0.0	\$216.0
Highway	0.9	23.8	3.9	3.6	10.1	1.2	0.0	43.5
Transit	0.0	110.0	29.9	10.3	10.1	4.2	0.0	164.4
Local Streets and Roads	0.1	4.3	2.1	0.6	0.8	0.3	0.0	8.1
Debt Service	\$0.0	\$29.6	\$1.7	\$2.4	\$1.2	\$0.0	\$22.6	\$57.4
COST TOTAL	\$3.4	\$233.5	\$70.1	\$54.7	\$45.9	\$9.7	\$114.3	\$531.5

Note: (1) Includes: Rail Capacity Expansion, Truck Climbing, Non-Motorized, TDM and contingencies.
Numbers may not add due to rounding

APPENDIX D: Financial Plan Assessment Checklist

SCAG used the following checklist to ensure that revenues and expenditures in the financial plan are reasonable:

- ✓ Does the RTP, TIP, FSTIP contain a financial plan that summarizes current and future revenue sources?
- ✓ Is the financial plan and supporting information presented and explained in a format that can be clearly understood?
- ✓ Is the financial plan made available to the public as part of the public involvement process?
- ✓ Has the financial information in the financial plan been coordinated with all of the affected agencies (MPOs, state DOT, transit operators, local jurisdictions)?
- ✓ Are the assumptions and data sources for each revenue source (federal, state, local, other) clearly documented in the financial plan?
- ✓ Are the approaches for forecasting future revenues documented and defined?
- ✓ Are all revenue figures over consistent timeframes and fiscal years?
- ✓ Are consistent dollar values used and defined?
- ✓ Are the assumptions used for inflation of costs to future nominal dollars clearly documented and applied consistently?
- ✓ Does the RTP clearly indicate which revenue sources exist and which are new?
- ✓ Are the assumptions about the availability of current revenue sources clearly identified by revenue source?
- ✓ Are new revenue sources clearly identified?
- ✓ For new revenue sources, are the strategies to achieve these clearly documented? Are the responsible parties for these strategies identified?
- ✓ If new revenue sources are not implemented, are there identified strategies or risk mitigation approaches for how the funding shortfalls will be met?
- ✓ If innovative financing tools and techniques are used as revenue sources, are these clearly identified and documented in the RTP?
- ✓ Are the current and future federal funds included in the financial plan based on known or reasonably expected authorization levels?
- ✓ Are anticipated discretionary funds consistent with recent levels of discretionary funds actually allocated to the pertinent agencies/jurisdictions?
- ✓ If the RTP includes “illustrative” or “vision elements,” are the revenue sources for these clearly separate from the fiscally constrained portion of the plan?

APPENDIX E: SCAG Regional Financial Model

OVERVIEW

The SCAG regional financial model consists of two Excel spreadsheets. The first spreadsheet helps SCAG estimate revenues available for transportation capital projects over the timeframe of the RTP (today to FY2036). The second spreadsheet allows SCAG to compare the revenues to expenditures proposed for the 2008 RTP. The expenditures are based upon project-level cost information submitted by the County Transportation Commissions (CTCs).

REVENUE MODEL

The revenue model spreadsheet begins with a compilation of historical data from published sources. SCAG relies on published data because it can be easily collected and verified. The model includes 32 data tables from a variety of state and federal sources, which are shown below. The model focuses on using revenue data at collection and disbursement levels.

Table	Source
1: State Sales and Use Tax Collections and Number of Permits, 1960-61 to 2004-05	California Board of Equalization, 1999 and 2005 Annual Reports, Table 18.
2: State Sales and Use Tax Statistics by County, 1997-98 to 2004-05	California Board of Equalization, 1979 through 2005 Annual Reports, Table 20.
3: Revenues Distributed to Counties from County Transportation Tax (i.e., TDA Funding)	California Board of Equalization, 1979 through 2005 Annual Reports, Table 21B.
4: Revenues Distributed to Special Districts from Transactions and Use Tax	California Board of Equalization, 1985 through 2005 Annual Reports, Table 21C.
5: Total Gas Tax Apportionments to Counties and Constituent Cities	California State Controller, Streets and Roads Annual Report, Fiscal Years 1999-00 through 2004-05, Tables 3 and 9 - Detailed Statement of Monies Made Available for Street Purposes.
6: California Total Vehicle Fuel Consumption	California Department of Transportation, Division of Transportation System Information, California Motor Vehicle Stock, Travel and Fuel Forecast, December 30, 2005
7A - 7B: CTC-Adopted 2006 STIP	California Transportation Commission, 2006 STIP Staff Recommendations Update Summary, April 27, 2006
8: 2004 SHOPP Program	California Department of Transportation, 2004 SHOPP, Approved April 8, 2004
9: 2006 SHOPP Program	California Department of Transportation, 2006 SHOPP After February 2008 CTC Meeting
10: 2008 SHOPP Program	California Department of Transportation, 2008 SHOPP Submitted to the California Transportation Commission on January 31, 2008
11A: Transit Passenger Fares	California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1978-79 through 2004-05, Table 1 - Statement of Revenues and Expenses.
11B: FTA Section 5307	California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1999-00 through 2004-05, Table 1 - Statement of Revenues and Expenses.
11C: Special Demonstration Project	California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1999-00 through 2004-05, Table 1 - Statement of Revenues and Expenses.

Table	Source
11D:Other Financial Assistance	California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1999-00 through 2004-05, Table 1 - Statement of Revenues and Expenses.
11E: FTA Section 5310 and 5311	California State Controller, Transit Operators and Non-Transit Claimants Annual Report, Fiscal Years 1999-00 through 2004-05, Table 1 - Statement of Revenues and Expenses.
12A: Federal Section 5307 Funding Allocations	Federal Transit Administration, FTA Fiscal Year 2007 Apportionments and Allocations and Program Information, March 23, 2007. Federal Transit Administration, FTA Fiscal Year 2008 Apportionments and Allocations and Program Information, January 28, 2008.
12B: Federal Section 5309a Fixed Guideway Funding Allocations	Federal Transit Administration, FTA Fiscal Year 2007 Apportionments and Allocations and Program Information, March 23, 2007. Federal Transit Administration, FTA Fiscal Year 2008 Apportionments and Allocations and Program Information, January 28, 2008.
12C: Federal Section 5309b New Start Allocations	Federal Transit Administration, FTA Fiscal Year 2007 Apportionments and Allocations and Program Information, March 23, 2007. Federal Transit Administration, FTA Fiscal Year 2008 Apportionments and Allocations and Program Information, January 28, 2008.
13A: 2008 RTIP - 5309c Bus Allocation	2008 RTIP Programmed Amounts, County Approved Fund Summary, March 17, 2008.
13B: 2008 RTIP - Hwy Priority/Demo Projects/Nat'l Reg'l Significance	2008 RTIP Programmed Amounts, County Approved Fund Summary, March 17, 2008.
13C: 2008 RTIP - Other (5207, Earmarks, HUD, EDA, PLH, HSIP, SR2S, High Risk Rural Road)	2008 RTIP Programmed Amounts, County Approved Fund Summary, March 17, 2008.
14: Transportation Corridor Agencies Highway Toll Revenues	<ol style="list-style-type: none"> 1) Foothill/Eastern Transportation Corridor Agency, Financial Statements, June 30, 2006 2) San Joaquin Hills Transportation Corridor Agency, Financial Statements, June 30, 2006 3) LeCG, Economic Benefits of Toll Roads Operated by the Transportation Corridor Agencies Executive Summary, June 2006 4) 2005 Transportation Corridor Agencies Annual Report
15A: Developer Fees	California State Controller, Transportation Planning Agencies Annual Report, Fiscal Years 1987-88 through 2004-05, Table 1 - Statement of Revenues for All Fund Types.
15B: Interest Earned by Transportation Planning Agencies	California State Controller, Transportation Planning Agencies Annual Report, Fiscal Years 1987-88 through 2004-05, Table 1 - Statement of Revenues for All Fund Types.
15C: State Transit Assistance Funds	California State Controller, Transportation Planning Agencies Annual Report, Fiscal Years 1987-88 through 2004-05, Table 1 - Statement of Revenues for All Fund Types.
16: Federal CMAQ Apportionments	<ol style="list-style-type: none"> 1) California Department of Transportation, Prior Year CMAQ Apportionments, October 20, 2006. 2) California Department of Transportation, Actual 2006-2007 Apportionments September 27, 2007. 3) California Department of Transportation, Revised Estimates to Reflect SB 1587 and Advanced Apportionments, October 20, 2006. 4) California Department of Transportation, CMAQ 2009 FSTIP Estimates, December 14, 2007.

Table	Source
17: Federal RSTP Apportionments	<ol style="list-style-type: none"> 1) California Department of Transportation, Prior Year RSTP Apportionments, October 20, 2006. 2) California Department of Transportation, Final Adjusted 2006/2007 RSTP Final Distribution, September 27, 2007. 3) California Department of Transportation, RSTP 2006 FSTIP Estimates, January 30, 2006. 4) California Department of Transportation, RSTP 2009 FSTIP Estimates, December 14, 2007.
18: Highway Bridge Program Federal Funds	California Department of Transportation, Division of Local Assistance, 2006/2007 Highway Bridge Program, FSTIP#4 RPT, 3/23/06, 6:12PM
19: Status of the Federal Highway Trust Fund	Federal Highway Administration, Federal Highway Statistics 2005, Table FE-210: Status of the Federal Highway Trust Fund 1957-2005. Data exclude the transition quarter that covers July, August, and September 1976.
20: GDP (Chained) Price Index	Office of Management and Budget, Budget of the United States Government, Fiscal Year 2008 Budget (FY08) Transmitted to Congress on February 5, 2007, Table 10.1—Gross Domestic Product and Deflators Used in the Historical Tables.
21: California County Population Estimates	California Department of Finance, E-2. California County Population Estimates and Components of Change by Year — July 1, 2000–2006, December 2006.

The model uses these tables to estimate long-term historical trends. SCAG tries to use as much data as possible, but definitions and data availability can vary over time. Table 2 below shows an example of the state sales and use statistics used in the model. The information in this example comes from the California State Board of Equalization Annual Reports.

The next section of the model collects information from the CTC forecasts. Each CTC in the SCAG region prepares a financial forecast relevant to the economic conditions, financial funding sources, and legal requirements in its county. The level of detail varies due to what is important to the county. For example, Los Angeles Metro has historically relied on revenue bonds to ensure that funds are available when needed for transportation projects. The estimation of debt service is very important for the Metro financial model. Several other counties recently passed or extended sales tax measures, so their focus is estimating future sales tax revenues.

The SCAG revenue model takes the most recent CTC financial forecasts available and places them in standardized revenue categories. The SCAG model includes the following revenue categories:

LOCAL SOURCES

1. Local Option Sales Tax Measures
2. Local Transportation Fund from Transportation Development Act
3. Gas Excise Tax Subventions
4. Farebox Revenue
5. Highway Tolls
6. Mitigation Fees
7. Local Agency Funds

STATE SOURCES

1. State Transportation Improvement Program (STIP)

- a. Regional Improvement Program (RIP)
 - b. Inter-Regional Improvement Program (IIP)
2. State Highway Operation and Protection Program (SHOPP)
 3. State Gasoline Sales Tax (TCRP, Proposition 42, and Proposition 1A)
 4. State Transit Assistance Fund (half of the Public Transportation Account)
 5. Highway Safety, Traffic, Air Quality, and Port Fund (Proposition 1B)
 6. Other State Funds

FEDERAL SOURCES

1. Congestion Mitigation Air Quality (CMAQ) Program
2. Regional Surface Transportation Program (RSTP)
3. FTA Formula (5307, 5310, 5311, 5309a Fixed Guideway)
4. FTA Discretionary (5309b New Starts, 5309c Bus)
5. Other Federal Funds (e.g., Highway Bridge Program)

The model also includes several tables that show how CTC revenue estimates are grouped into the standardized regional categories. Figure 1 shows an example of a table for Orange County. In addition to grouping the revenue sources by standard category, the SCAG model also makes sure that costs are estimated in the same “dollars” and treat inflation consistently. The SCAG revenue model is capable of estimating revenues in any set of constant dollars or nominal dollars (year of expenditure). The default is 2005 constant dollars, although the 2008 RTP reports revenue estimates in nominal dollars as required by USDOT.

TABLE 2 STATE SALES AND USE TAX STATISTICS BY COUNTY (TAXABLE SALES OF ALL OUTLETS IN THOUSANDS OF DOLLARS)

TABLE 2: STATE SALES AND USE TAX STATISTICS BY COUNTY

(Taxable sales of all outlets in thousands of dollars)

Fiscal Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	CA Total
1978-79	\$432,303	\$38,835,270	\$10,824,677	\$2,871,125	\$3,638,574	\$2,049,761	
1979-80	\$499,892	\$44,595,688	\$12,286,510	\$3,230,248	\$4,128,895	\$2,343,589	
1980-81	\$560,932	\$47,934,215	\$13,437,420	\$3,458,377	\$4,413,288	\$2,570,623	
1981-82	\$578,997	\$49,477,707	\$14,232,850	\$3,607,022	\$4,663,501	\$2,765,604	
1982-83	\$479,166	\$48,602,603	\$14,629,564	\$3,766,367	\$4,842,519	\$2,811,834	
1983-84	\$526,932	\$54,774,487	\$17,581,666	\$4,611,537	\$5,713,100	\$3,405,222	
1984-85	\$605,444	\$60,279,687	\$19,529,954	\$5,192,358	\$6,518,370	\$3,724,623	
1985-86	\$571,476	\$62,936,963	\$20,813,183	\$5,648,636	\$7,278,185	\$4,037,113	
1986-87	\$607,239	\$66,071,785	\$22,569,606	\$6,368,942	\$8,163,769	\$4,443,080	
1987-88	\$748,723	\$70,628,063	\$24,417,014	\$7,102,020	\$9,037,993	\$4,831,103	
1988-89	\$838,935	\$75,021,352	\$26,561,254	\$8,222,168	\$10,083,596	\$5,241,716	
1989-90	\$885,729	\$80,434,910	\$28,127,044	\$9,353,282	\$11,240,406	\$5,684,394	
1990-91	\$926,751	\$77,902,934	\$27,093,713	\$9,178,831	\$11,128,888	\$5,452,053	
1991-92	\$967,775	\$75,554,747	\$26,687,772	\$9,137,505	\$11,258,123	\$5,517,699	
1992-93	\$1,031,001	\$74,024,352	\$26,585,680	\$9,248,829	\$11,133,307	\$5,484,014	
1993-94	\$1,028,973	\$74,276,566	\$27,456,583	\$9,517,072	\$11,413,812	\$5,761,837	
1994-95	\$1,012,641	\$78,570,744	\$29,267,567	\$10,087,585	\$12,206,162	\$6,147,888	
1995-96	\$1,017,676	\$80,843,275	\$31,159,469	\$10,087,585	\$12,865,269	\$6,417,283	
1996-97	\$1,002,722	\$84,192,337	\$33,585,450	\$11,459,948	\$13,526,584	\$6,734,156	
1997-98	\$1,095,180	\$88,308,916	\$36,081,307	\$12,501,666	\$14,371,462	\$7,253,536	\$350,171,458
1998-99	\$1,147,494	\$93,051,927	\$38,437,228	\$14,031,503	\$15,852,872	\$7,841,437	\$372,994,015
1999-00	\$1,416,110	\$102,742,762	\$42,553,609	\$16,131,902	\$17,885,700	\$8,775,039	\$420,351,635
2000-01	\$1,364,328	\$107,570,926	\$45,057,850	\$17,585,745	\$19,376,056	\$9,334,156	\$447,476,763
2001-02	\$1,410,652	\$107,238,290	\$44,207,950	\$18,774,610	\$20,050,622	\$9,628,335	\$436,998,016
2002-03	\$1,490,428	\$110,992,734	\$45,908,071	\$20,434,075	\$21,753,274	\$10,032,018	\$447,906,207
2003-04	\$1,602,055	\$118,041,687	\$49,756,671	\$23,424,811	\$24,120,368	\$10,819,365	\$480,065,020
2004-05	\$1,831,275	\$126,061,356	\$53,100,976	\$26,646,380	\$27,890,904	\$11,485,646	\$515,298,184

Sales or purchases made with minor exceptions during the fiscal year as reported on returns received

2.4% 1.3% 2.9% 5.5% 4.7% 3.5% = constant annual growth, 1978-79 to 2004-05

Sources: California Board of Equalization, 1979 through 2005 Annual Reports, Table 20.

FIGURE 1 ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA) (CONSTANT 2005 DOLLARS)

ORANGE COUNTY TRANSPORTATION AUTHORITY (OCTA)

(Constant 2005 Dollars)

Sources: LRTP Forecast for SCAG, Updated March 30, 2007

OCTA Toll Road Revenue Refunding Bonds, Official Statement, November 5, 2003

Revenue Source	Model Category	Notes
Local		
Measure M Existing to 3Q FY 2011		1
Measure M Renewed-- 4Q FY2006- FY2041		
Measure M Renewed-- 4Q FY2006- FY2041 (net of SBOE)		1
TDA/Local Transportation Fund		2
Property Tax Revenue		7
Transit Fares		4
Gas Tax Exchange OCTA/County of Orange		7
Gas Tax Subvention--Orange County Cities		3
Gas Tax Subvention--County of Orange		3
Tolls		5
Developer Fees		6
Service Authority for Freeways and Expressways (SAFE)		7
Cities MOE (required under M1)		7
Cities MOE (required under M2)		7
Miscellaneous		7
State		
Orange County Cities		3
County of Orange		3
State Transit Assistance Fund (STAF)		4
Regional Improvement Program (RIP)		1a
Inter Reg'l Transp. Improvement Prog. (ITIP)		1b
State Highway Operations& Protection Program (SHOPP)		2
Federal		
Regional Surface Transportation Program (RSTP)		2
Congestion Mitigation and Air Quality Imprv'mt Prog.(CMAQ)		1
Section 5307, Federal Transit Operating Funds		3
Section 5309		4
Demonstration Projects		4

FIGURE 2 REVENUE MODEL ASSUMPTIONS

Revenue Model Assumptions				
Assumption	Historical Data	User Provided	Used in Model	Source/Other Information
ANNUAL GROWTH RATES				
Retail Sales				
<i>Imperial</i>	2.4%		2.4%	Table 2
<i>Los Angeles</i>	1.3%	1.20%	1.20%	Table 2, Metro, 2007 LRTP Update, 2/14/07
<i>Orange</i>	2.9%	2.1%	2.1%	Table 2, Percentage to match OCTA LRTP forecast
<i>Riverside</i>	5.5%	4.7%	4.7%	Table 2, Percentage to match Controller Rpt (forecast shows 4.55% growth)
<i>San Bernardino</i>	4.7%	3.4%	3.4%	Table 2, Percentage to match SANBAG Measure I growth forecasts
<i>Ventura</i>	3.5%		3.5%	Table 2
Statewide	3.1%	0.0%	0.0%	Table 1 (Sales Tax Collections)
Fuel Consumption				
	1.7%	0.0%	0.0%	Table 6

The SCAG model uses several economic assumptions to forecast the future revenues. The most important assumptions are:

- Growth in retail sales for each county
- Changes in fuel consumption
- Increases in farebox revenues for major operators and transit agencies in general
- Changes in toll revenues for the Transportation Corridor Agencies (TCA) in Orange County
- Collection of mitigation fees
- Status of the Federal Highway Trust Fund
- Changes in CMAQ funding due to air quality attainment
- Percent of local roads that are regionally significant
- Annual inflation for converting revenues to nominal dollars

The assumptions are based on the published historical data or regional policy. Values are adjusted to ensure consistency with the county transportation commission forecasts and across the region. As an example, Figure 2 shows a subset of the model assumptions for retail sales growth and fuel consumption. The historical data show that retail sales growth is slowest in the Los Angeles urban core (1.3 percent) while faster growth has been occurring in the Inland Empire (4.7 percent in San Bernardino and 5.5 percent in Riverside). The county transportation commissions have provided retail sales forecasts for the future, which are used in the regional model. Consistent with the historical data, slower retail sales growth is expected to occur in Los Angeles County than in the Inland Empire. Retail sales growth is also expected to be slow in Orange County, although higher than in Los Angeles. In the case of Imperial County, no retail sales forecasts are available, so sales are expected to grow consistent with historical trends.

Figure 2 also shows the growth in fuel consumption (1.7 percent) estimated by Caltrans in the California Motor Vehicle Stock, Travel and Fuel Forecast for the period from 2004 to 2030. Note that this is a forecast even though the column is labeled historical data. SCAG expects that fuel consumption will be impacted by a number of changes anticipated over the next several decades, including: changes in vehicle-miles traveled, changes in vehicle fuel economy, and the adoption of alternative fuel vehicles. The SCAG revenue model assumes that these changes will leave fuel consumption unchanged over the period of the RTP – a more conservative assumption than that adopted by Caltrans. These two examples illustrate how published data are used to supplement and validate the forecasts in the regional revenue model.

The regional model generates forecasts of annual revenues by source for each of the counties in the SCAG region through FY2036. Figure 3 shows an example for the California State Transit Assistance Fund, which is equal in revenues to half of the State's Public Transportation Account.

FIGURE 3 STATE TRANSIT ASSISTANCE FUND (HALF OF PUBLIC TRANSPORTATION ACCOUNT)

4) STATE TRANSIT ASSISTANCE FUND (Half of Public Transportation Account)

FINAL ESTIMATE

Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	TOTAL
2004-05	\$0	\$35	\$7	\$3	\$4	\$1	\$50
2005-06	\$0	\$57	\$11	\$5	\$6	\$2	\$80
2006-07	\$0	\$182	\$12	\$5	\$6	\$2	\$207
2007-08	\$0	\$96	\$16	\$5	\$6	\$2	\$126
2008-09	\$0	\$123	\$21	\$5	\$6	\$2	\$158
2009-10	\$0	\$129	\$19	\$6	\$7	\$2	\$163
2010-11	\$0	\$138	\$20	\$6	\$7	\$2	\$173
2011-12	\$0	\$145	\$21	\$6	\$7	\$2	\$182
2012-13	\$0	\$153	\$22	\$6	\$7	\$3	\$192
2013-14	\$0	\$169	\$23	\$6	\$8	\$3	\$209
2014-15	\$0	\$176	\$24	\$7	\$8	\$3	\$219
2015-16	\$0	\$186	\$26	\$7	\$8	\$3	\$230
2016-17	\$0	\$193	\$27	\$7	\$9	\$3	\$239
2017-18	\$1	\$202	\$28	\$7	\$9	\$3	\$250
2018-19	\$1	\$212	\$30	\$8	\$9	\$3	\$263
2019-20	\$1	\$221	\$31	\$8	\$10	\$3	\$274
2020-21	\$1	\$231	\$32	\$8	\$10	\$3	\$285
2021-22	\$1	\$242	\$34	\$9	\$10	\$4	\$299
2022-23	\$1	\$251	\$36	\$9	\$11	\$4	\$311
2023-24	\$1	\$262	\$36	\$9	\$11	\$4	\$323
2024-25	\$1	\$275	\$38	\$10	\$12	\$4	\$338
2025-26	\$1	\$285	\$40	\$10	\$12	\$4	\$351
2026-27	\$1	\$295	\$42	\$10	\$12	\$4	\$365
2027-28	\$1	\$306	\$44	\$11	\$13	\$5	\$379
2028-29	\$1	\$317	\$47	\$11	\$13	\$5	\$393
2029-30	\$1	\$328	\$49	\$12	\$14	\$5	\$408
2030-31	\$1	\$340	\$50	\$12	\$14	\$5	\$423
2031-32	\$1	\$353	\$53	\$13	\$15	\$5	\$440
2032-33	\$1	\$367	\$56	\$13	\$16	\$5	\$458
2033-34	\$1	\$381	\$59	\$13	\$16	\$6	\$476
2034-35	\$1	\$395	\$62	\$14	\$17	\$6	\$495
2035-36	\$1	\$410	\$66	\$15	\$17	\$6	\$515