APPENDIX F

FISCAL PLAN AND FUNDING ASSUMPTIONS

access 2050

Enhancing Mobility for Southern Nevada Residents

Fiscal Constraint

Summary

"Fiscal constraint" is a planning tool the ACCESS 2050 Regional Transportation Plan (RTP) and the Transportation Improvement Program (TIP) utilizes to balance transportation investments with reasonably expected revenues. The Regional Transportation Commission regularly updates Access 2050 and related documents to ensure the latest assumptions regarding available funding and spending are included. ACCESS 2050 limits the estimated cost of all potential investments to an estimate of total future funding available to implement those investments.

The RTC developed a financial model to estimate both expenditures and revenues through the year 2050 in order to calculate fiscal constraint for Access 2050 and the Transportation Improvement Program. Based on the latest planning assumptions, these documents estimate – in "year of expenditure" dollars – approximately $30.9 billion worth of recommended or identified investments (or "expenditures") in Southern Nevada by 2050, which is less than the approximately $35.9 billion worth of total revenues available for the recommended improvements. Year of expenditure dollars are included in this Appendix in order to conform to more official expectations and certain regulatory requirements.

Year of expenditure is based on the 10-year rolling average of the Producer Price Index for the material and supply inputs to highway and street construction, a 2.09% inflation rate was used for all costs beyond FY 2021. Since projects outside of the TIP period are not given a specific year for construction, a midpoint year was established to estimate inflation. Future years beyond FY 2025 were grouped into 5-year bands, and costs were assumed to occur in the midpoint year for inflation purposes. For example, a project scheduled between FY 2031-2035 would assume a midpoint year of FY 2033 for the year of expenditure.

ACCESS 2050 Fiscal Constraint Summary (2021-2050)

Revenue Source	Anticipated Revenue
Federal – Highways*	$9.5 billion
Federal - Transit	$2.6 billion
State	$11.7 billion
Local Fuel Tax	$6.6 billion
Local Sales	$3.3 billion
Private Sources	$2.2 billion
TOTAL	**$35.9 billion**

** Federal Highway funds include state-programmed Federal funds*

Expenditure Category	Funding Level
Increase Safety	$3.5 billion
Manage Congestion	$6.4 billion
Multimodal Connectivity	$4.0 billion
Maintain Infrastructure	$10.3 billion
Economic Development	$5.1 billion
Uncategorized**	$0.1 billion
Debt Service	*$1.5 billion*
TOTAL	**$30.9 billion**

*** Uncategorized includes mostly bond repayments for a variety of projects and future local agency high-priority projects.*

TIP Fiscal Constraint Summary with XpressWest

Revenue Source	Anticipated Revenue
Federal – Highways*	$1.2 billion
Federal - Transit	$421 million
State	$1.5 billion
Local Fuel Tax	$947 million
Local Sales	$315 million
Private Sources	$1 billion
TOTAL	**$5.4 billion**

** Federal Highway funds include state-programmed Federal funds*

Expenditure Category	Funding Level
Increase Safety	$389 million
Manage Congestion	$1.7 billion
Multimodal Connectivity	$534 million
Maintain Infrastructure	$734 million
Economic Development	$5 billion
Uncategorized**	$45 million
Debt Service	$171 million
TOTAL	**$8.6 billion**

*** Uncategorized includes mostly bond repayments for a variety of projects*

TIP Fiscal Constraint Summary without XpressWest

Revenue Source	Anticipated Revenue
Federal – Highways*	$1.2 billion
Federal - Transit	$421 million
State	$1.5 billion
Local Fuel Tax	$947 million
Local Sales	$315 million
Private Sources	$204 million
TOTAL	**$4.6 billion**

** Federal Highway funds include state-programmed Federal funds*

Expenditure Category	Funding Level
Increase Safety	$389 million
Manage Congestion	$1.7 billion
Multimodal Connectivity	$534 million
Maintain Infrastructure	$734 million
Economic Development	$18 million
Uncategorized**	$45 million
Debt Service	$171 million
TOTAL	**$3.6 billion**

*** Uncategorized includes mostly bond repayments for a variety of projects*

The previous three tables show the overall fiscal constraint conclusions for the Access 2050 Plan to the year 2050, and two 5-year Transportation Improvement Program (TIP) tables. The overall RTP is fiscally constrained, and an analysis of the first 5-years of the TIP requires an examination of the program overall, and then adjusting for the private revenues and expenditures of the XpressWest high-speed rail project.

The fiscal constraint summary with the XpressWest project includes revenue of $1 billion from Private Sources. Private sources include new neighborhood roads and off-site street improvements that are provided by private developers that over the TIP years total approximately $204 million. Revenue from the XpressWest high-speed rail project is also included in private sources, as this project was approved for $200 million in private activity bonds from the Nevada State Board of Finance in 2020. This allocation will allow the company to sell up to four times the value of the award as tax-exempt bonds to private investors. This means that the project has the ability to raise an additional $800 million for private infrastructure investment to be spent in Southern Nevada.

The XpressWest project is programmed for $5 billion in the Transportation Improvement Program and categorized as a project to Promote Economic Development. Projects in the TIP must demonstrate full funding.

The revenue ($800 million) and expenditure ($5 billion) difference related to the XpressWest project is the rationale for the shortfall when including private funding related to that project. After adjustments for that project, the table demonstrates the necessary fiscal constraint for the programs to move forward.

Both the TIP and RTP planning periods display an overall revenue surplus. This surplus is primarily the result of two current planning and engineering project management practices that result in some future revenues not being allocated to specific expenditures or projects that can be accurately identified in the early stages of implementing a long range plan. Because any use of these funds will eventually first be approved through an RTC or NDOT planning, programming, or project management process, the estimated surplus does not indicate excessive unallocated resources.

The primary rationale for the larger amount of revenue anticipated to be available compared to identified expenditure categories is due to the inclusion of:

- Discretionary grant funds that are reasonably anticipated to be available, but for which specific projects have not been identified;
- Local fuel tax revenues which are largely dedicated to air quality exempt non-regionally significant roadway maintenance projects;

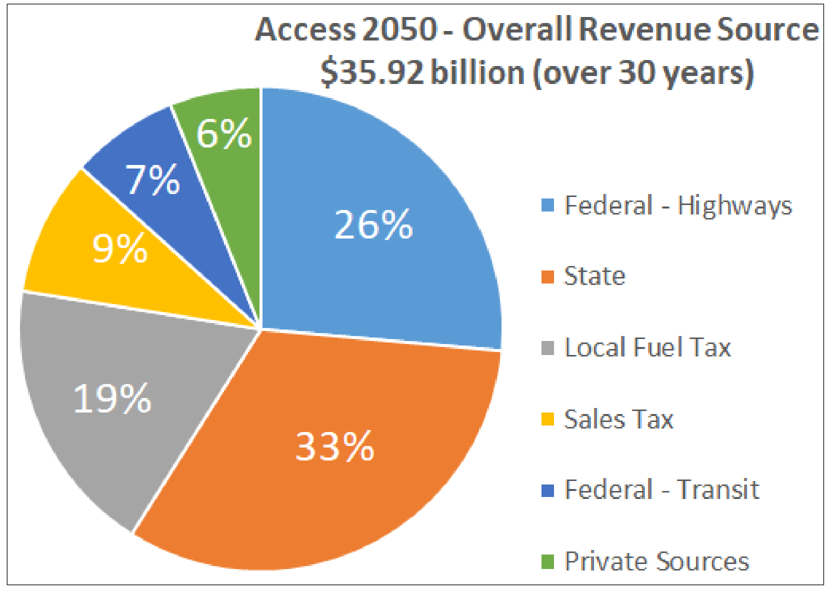
- Local sales taxes which are largely dedicated to air quality exempt off-street trail projects and transit operations; and
- Federally funded transit investments that are air quality exempt, and will ultimately be identified in the TIP when specific projects are identified to maintain and operate the transit system.

Revenue

Revenues estimated for ACCESS 2050 and the High Priority Investment Program, a total of approximately $35.9 billion, includes different levels of funding sources: federal, state, local, and private. The estimate is based on growth in the main drivers of revenue sources, such as population, GDP, consumption of gasoline, and taxable retail sales.

These projections are then applied to financial reports from project-sponsoring agencies such as local governments, the RTC's transit program, and the State of Nevada. Utilizing these agencies' financial information allows for the integration of current revenue estimates, and helps the overall revenue estimate conform to a more realistic scenario.

Federally, the main source of funding is the Highway Trust Fund—supported mostly by the federal gas tax, currently set at 18.4 cents per gallon of gasoline sold. The model includes the latest



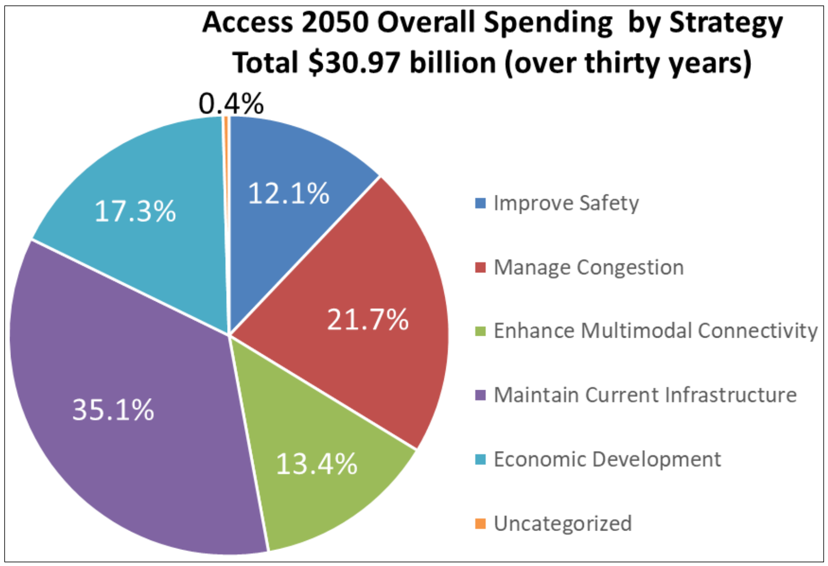
Congressional and U.S. Department of Transportation actions regarding the Highway Trust Fund, and assumes, in general, that the federal government will transfer whatever money is necessary in the future to avoid defaulting on both current obligations and future levels of needed funding. At the State level, the main source of funding is the State Highway Trust Fund (supported mainly by a tax on gasoline at 18.455 cents per gallon sold).

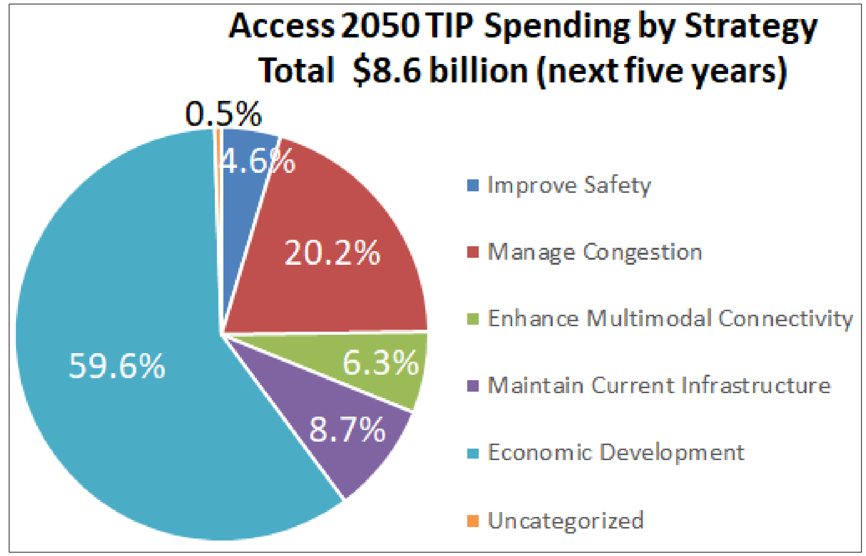
Locally, revenues are provided from the local-option Motor Vehicle Fuel Tax (MVFT), an indexing program for that tax, called Fuel Revenue Indexing (FRI), and portion of local sales tax collections. Local revenue estimates also show the future capacity of the RTC or any local agency to invest in regional transportation by providing a local match, or share thereof, in sponsorship of federally-funded investments presented in ACCESS 2050 or the Transportation Improvement Program. The estimate includes all current sources of revenue from these sources, as well as assumptions that current revenue-sharing agreements among planning partners will continue through the life of ACCESS 2050 and the TIP.

The local and federal motor fuels tax source is disproportionately affected by the average miles-per-gallon rating of the single occupant private vehicles in Nevada. Extensive calculation is included in the revenue estimate model to account for this significant and widespread change and its effects on future available transportation investment funds.

Expenditures

In addition to estimating revenues, ACCESS 2050 and the TIP estimate project expenditures, or the total costs associated with implementing the recommendations in the plan. This estimate of about $30.97 billion over the next 30 years is calculated as a sum of total costs associated with implementing the investments described





in ACCESS 2050 and the TIP. These include basic project characteristics, the duration of construction time, and relevant contingency costs.

The expenditure estimate is depicted according to how each investment addresses the five Primary Strategies in the Access 2050 Regional Transportation Plan, so that particular investments are linked with the goals for Southern Nevada. The largest single share of strategy-related investments (35.1%) is targeted at maintaining current infrastructure, followed by managing congestion (21%), promoting economic development (17%), enhancing multimodal connectivity (13%), and increasing safety (12%). A small percent of future spending is not yet categorized to a primary Access 2050 strategy. An additional $1.5 billion over the next 25 years will be used for debt service – paying off bonds that financed previous transportation construction projects.