

APPENDIX I

Financial Plan



MetroPlan 2045 Regional Transportation Plan

Financial Plan



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Appendix FP-1 Revenue Projections

Financial Plan Overview

The MetroPlan Regional Transportation Plan 2045, *Stride Forward*, is required to be fiscally constrained. The Financial Plan examines current and future revenue and expenditure data in line with the Onward Scenario to identify trends which may affect capital project implementation and system reliability for the MetroPlan region. Revenue and expenditure projections were developed based on existing programs, documentation, and input from MetroPlan, City of Flagstaff, Coconino County, and Mountain Line. Projections and programming were developed to the horizon year (2045) and categorized by short- (0-5 years), mid- (5-10 years) and long-term (10+). City of Flagstaff and Coconino County are projected to have an excess of funds through the horizon years. This is due to several factors including but not limited to:

- Voter approved taxes were assumed to extend past their expiration date based on input from MetroPlan, City of Flagstaff, and Coconino County resulting in revenues higher than initially estimated.
- Project costs were updated to reflect inflation and increased construction material costs although it is anticipated that material costs will continue to increase.
- Coconino County revenues were calculated for the entire county area including those outside of the MetroPlan region. Only projects within MetroPlan were considered in the expenditures.

Mountain Line is projected to be balanced through the horizon year. **Table FP-1** summarizes revenue and expenditures by horizon through 2045.

Table FP-1 – Revenues and Expenditure Summary by Horizon				
	Short-Term Cost	Mid-Term Cost	Long-Term Cost	Total through 2045
City of Flagstaff				
Revenue	\$280,100,000	\$236,100,000	\$682,200,000	\$1,198,400,000
Expenditure	\$323,300,000	\$300,700,000	\$448,000,000	\$1,072,000,000
Balance	-\$43,200,000	-\$64,600,000	\$234,200,000	\$126,400,000
Coconino County				
Revenue	\$132,100,000	\$149,300,000	\$454,800,000	\$736,200,000
Expenditure	\$81,900,000	\$88,100,000	\$225,500,000	\$395,500,000
Balance	\$50,200,000	\$61,200,000	\$229,300,000	\$340,700,000
Mountain Line				
Revenue	\$156,600,000	\$76,200,000	\$225,200,000	\$458,000,000
Expenditure	\$156,600,000	\$76,200,000	\$225,200,000	\$458,000,000
Balance	\$0	\$0	\$0	\$0
Note: All values are rounded to nearest hundred thousand.				

Based on the findings of the Financial Plan as well as the uncertain financial climate, it is suggested that revenues and expenditures be monitored through the near-, and mid-term horizons and capital programming be adjusted as appropriate. Value engineering, debt-financing and project priorities should be considered during programming.

1.0 Introduction

The MetroPlan 2045 Regional Transportation Plan (RTP) is required to be fiscally constrained. The fiscally constrained scenario, Onward, is examined in this plan. The anticipated revenues and costs associated with each improvement within the horizon year is summarized below.

Agencies in the region document their revenue and expenditure sources in several plans including their respective budgets, transportation/capital improvement plans, unified planning work programs (UPWP), and other cost related documents. The agencies included in this review are those within the MetroPlan region including the City of Flagstaff, Coconino County, and Mountain Line.

The Arizona Department of Transportation (ADOT) is involved in the maintenance and operation of major thoroughfare in the region such as Interstate 40 (I-40), I-17, and SR 89. ADOT receives funding from taxes, grants, and the Federal Aid Highway Program. Some of the funding received by ADOT such as Highway User Revenue Funds (HURF) and Vehicle License Tax (VLT) includes passthrough for City of Flagstaff and Coconino County as described below.

Revenue and expenditure projections were developed to the horizon year (2045) based on the assumptions described below. Methods used for projections varied by agency based on data and input provided. Revenues are provided in current year, 2022, dollars. Note, revenues are included for the entirety of Coconino County's jurisdiction which includes areas outside of the MetroPlan region. **Appendix A** includes revenue per fiscal year, by agency and source through the horizon year.

1.1. Other Revenue Sources

Agencies within the MetroPlan region may also receive funding from other revenue sources not discussed below such as federal funding, local grants, and partnerships. The Federal Aid Highway Program includes the National Highway Performance Program (NHPP), Surface Transportation Block Grant Program (STP), Highway Safety Improvement Program (HSIP) and Congestion Mitigation and Air Quality (CMAQ). Federal funding may be competitive or non-competitive depending on the legislation. The Infrastructure Investment and Jobs Act (IIJA) is a recently approved law that authorized funding directly to state governments via formula and set aside funding for competitive grants where state, regional, and local governments may apply. A few examples include:

- Rebuilding American Infrastructure with Sustainability and Equity (RAISE)
- Safe Streets and Roads for All
- Rural Surface Transportation Grant Program
- National Infrastructure Project Assistance Program (MEGA)
- Transportation Alternatives Program

Due to the uncertainty and competitive nature of these revenue sources, they are not included in the funding analysis. There are federal set-asides directly administered to states, such as the Carbon Reduction Program (CRP) funds which may influence transportation infrastructure in the region. Local grants and partnerships may become available funding options based on opportunity and applicability of projects.

1.2. Inflation

The funding analysis below included a review of documents developed in 2017. As inflation has had a major impact on project costs, estimates included in the documents were adjusted to be more in line with current costs. According to the Consumer Price Index (CPI) calculator, inflation increased 22% from 2017 to 2022. ADOT publishes historical data on the construction cost index as shown in **Figure 1**.

Figure 1 – Construction Cost Index (October 2022)



CONSTRUCTION COST INDEX
(Posting Date: 10/31/2022)

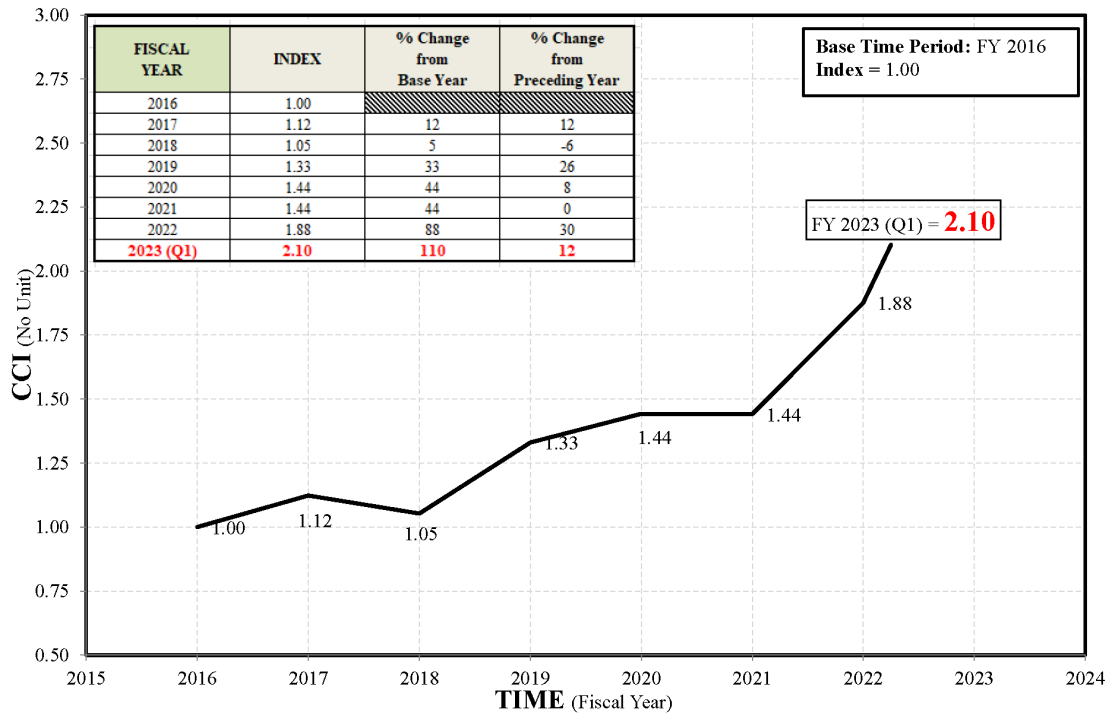


Figure 1 indicates construction costs have increased 76% from 2017 to 2022. Based on this, construction costs have increased at a greater rate than the CPI. Additionally, it appears that construction costs continue to increase through quarter 1 of fiscal year 2023. The CPI and construction cost index will be important to consider for project programming and available revenues.

2.0 City of Flagstaff

2.1. Funding Sources and Revenue Projections

The City of Flagstaff receives funding from several local taxes, state programs including HURF, and federal grants. These taxes include the 2014 Road Repair and Safety Tax (Proposition (Prop) 406), Transit Decision 2016 transit tax (Prop 411), Roadway, Pedestrian, Bicycle and Safety Tax (Prop 419), and Lone Tree Overpass Tax (Prop 420). Together these sources fund and form the Transportation Fund. The following describes the methodology used to develop revenue projections and assumptions made:

- Initial projections and growth rates for Prop 406, Prop 411, Prop 419, and Prop 420 were provided by the City of Flagstaff starting in FY 2023-2024 through FY 2032-2033. Prop 406, Prop 411, Prop 419 and Prop 420 taxes expire on December 31, 2034, December 31, 2030, June 30, 2041, and June 30, 2039, respectively.
- Growth rates provided from the City of Flagstaff were assumed to extend through the planning horizon, including an assumption for a recession every seven years.
- Revenue collection from Prop 419 and Prop 420 began in FY 2020. FY 2020 to FY 2022 revenues from these taxes were included in the short-term revenue projections as it was assumed they had not been spent.
- Prop 406 and Prop 419 were assumed to renew and extend to 2045. Growth rates and assumptions from previous years were used to estimate revenues through 2045.
- Prop 411 revenue projections were also provided by Mountain Line; projections provided by Flagstaff were not used in the analysis.
- HURF and VLT projections were obtained from ADOT. ADOT growth rates of 3.7% and 6.1% compounded annually were applied to the FY 2021-2022 HURF and VLT distributions for the City of Flagstaff, respectively to estimate revenues through the horizon year. The average growth rate of 3.7% for HURF was estimated using projection growth rates through FY 2031. The average growth rate of 6.1% for VLT was estimated using VLT distributions from the last five years, FY 2017-2022.
- The City of Flagstaff received a federal grant, First/Last Mile (section 5307-5339 grant), for \$5.5 million to fund bicycle and pedestrian improvements.
- The City of Flagstaff received a \$32 million Infrastructure for Rebuilding America (INFRA) grant to fund replacement of the Milton Road railroad underpass and related improvements. The grant award and associated expenditures have not yet been programmed and are therefore not reflected in this document.

Table 1 summarizes the estimated revenue for City of Flagstaff.

Table 1 – Summary of Estimated Revenue for City of Flagstaff

Revenue Source	Short-term (0-5 years)*	Mid-term (5-10 years)	Long-term (10+years)	Valid Through**	Total through 2045*	% of Total
Proposition 406	\$69,500,000	\$51,900,000	\$153,500,000	December 31, 2034	\$274,900,000	22.9%
Proposition 419	\$80,900,000	\$66,900,000	\$198,200,000	June 30, 2041	\$346,000,000	28.9%
Proposition 420	\$48,400,000	\$36,200,000	\$55,300,000	June 30, 2039	\$139,900,000	11.7%
HURF	\$51,700,000	\$54,700,000	\$176,800,000	No expiration	\$283,200,000	23.6%
VLT	\$24,100,000	\$26,400,000	\$98,400,000	No expiration	\$148,900,000	12.4%
First/Last Mile Grant	\$5,500,000	\$0	\$0	-	\$5,500,000	0.5%
Total	\$280,100,000	\$2,361,00,000	\$682,200,000	-	\$1,198,400,000	100.0%

Note: Values are rounded up to the nearest hundred thousand.

*Prop 419 includes revenue from FY 2020 and FY 2021. Prop 420 includes revenues from FY 2019 to FY 2021

**Prop 406 and Prop 419 expire prior to 2045 but are projected to renew and continue through the horizon year.

2.2. Projected Expenditures

City of Flagstaff expenditures were developed based on the *Draft MetroPlan FY 2023 – 2027 Transportation Improvement Program (TIP) (June 2022)*, *City of Flagstaff Annual Budget and Financial Plan 2021-2022 (July 2020)*, *Citizens Transportation Tax Commission 2018*, and project costs provided by MetroPlan.

2.2.1. Capital Expenditures

A summary of capital expenditures within the City of Flagstaff is provided in **Table 2**. Projects funded with federal, or state dollars are not included in **Table 2**. The following assumptions were made when developing projected capital expenditures.

- Prop 419 and Prop 420 projects and initial cost estimates were provided by MetroPlan using a cost model. Based on recent increase in material costs, unit costs in the cost model were adjusted at varying rates based on industry trends and historical data. Right-of-way costs were included and increased 140% to align with recent real estate trends. Updated project costs are available upon request.
- Additional projects and initial cost estimates were either referenced from the Draft FY 2023-2027 MetroPlan TIP or provided by MetroPlan.
- Other project costs provided in the *Citizens Transportation Tax Commission 2018* were inflated to 2022 dollars using the Consumer Price Index (CPI) inflation calculator as described in **Section 1.2**.
- Costs for bicycle and pedestrian improvement projects are assumed to spend Prop 419 allocated funds and First/Last Mile grant.

Table 2 – Summary of Estimated Prop 419/420 Expenditures for City of Flagstaff		
Project Name	Project Limits	Total Projected Capital Expenditure
Proposition 419**		
J.W. Powell Blvd Airport	J.W. Powell Boulevard: Pulliam Drive to Lake Mary Road	\$28,000,000
J.W. Powell Blvd Extension – Phase 1	J.W. Powell Boulevard: Lone Tree Road to Fourth Street	\$17,200,000
J.W. Powell Blvd Extension – Phase 2	J.W. Powell Boulevard: End of J.W. Powell Boulevard to Fourth Street	\$20,700,000
W. Rte 66 Widening	Woody Mountain Road to Flag Ranch Road	\$18,000,000
Country Club / Oakmont Intersection	Country Club Drive and Oakmont Drive	\$1,100,000
San Francisco - Franklin Signal	San Francisco Street and Franklin Avenue	\$400,000
Fourth Street Extension – South Phase 1	Fourth Street: Butler Avenue to Rio De Flag Drive	\$17,100,000
Fourth Street Extension – South Phase 2	Fourth Street: Rio de Flag Drive to JW Powell Boulevard	\$17,700,000
Fourth/Butler Intersection & Butler Widening	Butler Avenue: I-40 to Sinagua Heights Drive	\$36,100,000
Lone Tree Widening – Phase 2	Lone Tree Road: Franklin Avenue to Pine Knoll Drive	\$19,100,000
Lone Tree Widening – Phase 3	Lone Tree Road: Pine Knoll Drive to J.W. Powell Boulevard	\$25,400,000
Bicycle and Pedestrian Improvements*	Various	\$34,500,000
Proposition 420		
Lone Tree Road Railroad Overpass	Lone Tree Road: Route 66 to Franklin Avenue	\$79,200,000
Other		
Beulah Boulevard Extension	Beulah Boulevard: Forest Meadows Street to Yale Street	\$16,500,000
Neighborhood Plans	Various	\$1,600,000
General Improvements & Partnering Opportunity	Various	\$18,300,000
Traffic Signal and Advanced Traffic Management	Various	\$4,300,000
Street Lighting (Dark Skies)	Various	\$9,800,000
Total		\$365,000,000
<small>Note: All values are rounded to nearest hundred thousand. *Includes projects to be funded with First/Last Mile Grant **Roadway projects in Prop 419 area multimodal and include bicycle, pedestrian and typical transit improvements.</small>		

2.2.2. Operation and Maintenance

Operations and Maintenance (O&M) costs include costs related to maintaining the roadway along with other elements of the transportation system. These elements may include signage, structures, signals, and other assets. Through coordination with MetroPlan, it was assumed that all HURF, VLT, and Prop 406 revenues would be utilized to fund operation and maintenance expenditures, including overlays. Based on this assumption, O&M costs through the horizon year are estimated to be approximately \$707,000,000.

2.3. Implementation and Project Programming

Implementation of these projects is categorized by short-, mid- and long-term. Short-term projects will be implemented within the next 5 years (0-5), mid-term projects will be implemented in the following 5-year period (6-10), and long-term projects will be implemented in 10 or more years (10+). Project implementation was developed to align with existing programming documents and based on input from MetroPlan and City of Flagstaff. City of Flagstaff expenditures are summarized in **Table 3**. Short-term programming aligns with existing capital plans for both agencies; City of Flagstaff mid-term programming aligns also with existing capital plans. Costs per project were updated per the estimates associated with this memorandum.

Table 3 – City of Flagstaff Expenditures by Horizon

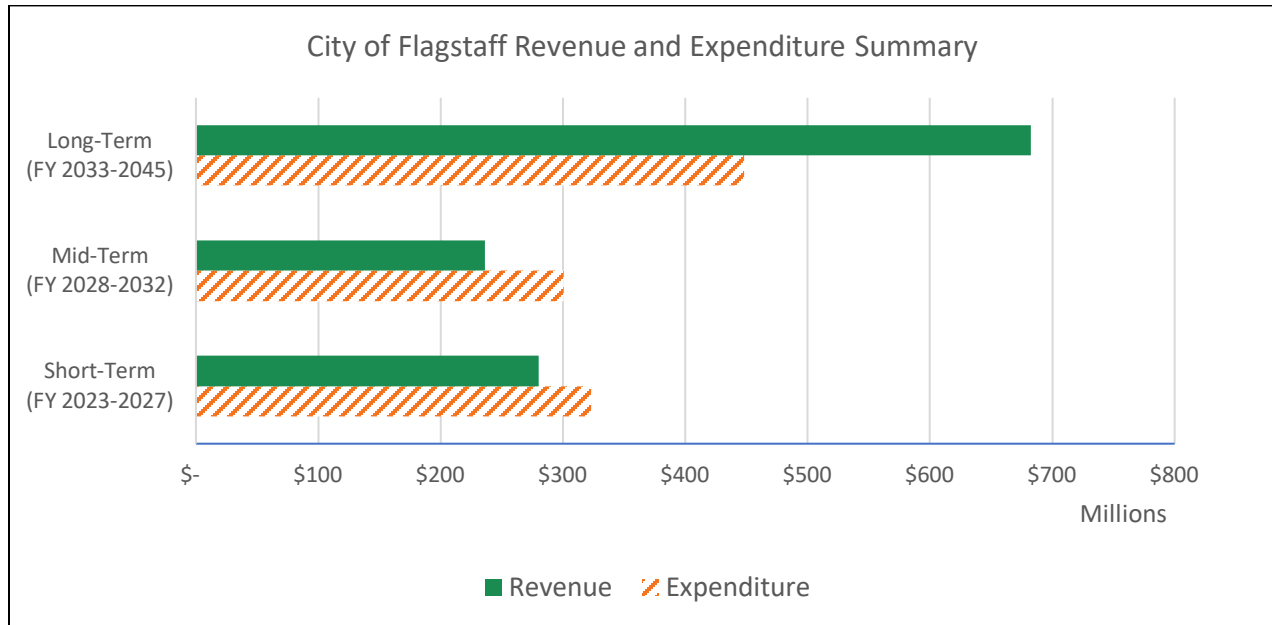
Project	Limits	Short-Term Cost	Mid-Term Cost	Long-Term Cost
J.W. Powell Blvd Airport	J.W. Powell Boulevard: Pulliam Drive to Lake Mary Road	\$28,000,000		
J.W. Powell Blvd Extension – Phase 1	J.W. Powell Boulevard: Lone Tree Road to Fourth Street		\$17,200,000	
J.W. Powell Blvd Extension – Phase 2	J.W. Powell Boulevard: End of J.W. Powell Boulevard to Fourth Street		\$10,300,000	\$10,400,000
W. Rte 66 Widening	Woody Mountain Road to Flag Ranch Road		\$18,000,000	
Country Club / Oakmont Intersection	Country Club Drive and Oakmont Drive	\$1,100,000		
San Francisco - Franklin Signal	San Francisco Street and Franklin Avenue		\$400,000	
Fourth Street Extension – South Phase 1	Fourth Street: Butler Avenue to Rio De Flag Drive		\$17,100,000	
Fourth Street Extension – South Phase 2	Fourth Street: Rio de Flag Drive to JW Powell Boulevard		\$8,800,000	\$8,900,000
Fourth/Butler Intersection & Butler Widening	Butler Avenue: I-40 to Sinagua Heights Drive	\$21,000,000	\$15,100,000	
Lone Tree Road Railroad Overpass	Lone Tree Road: Route 66 to Franklin Avenue	\$67,700,000	\$11,500,000	
Lone Tree Widening – Phase 2	Lone Tree Road: Franklin Avenue to Pine Knoll Drive	\$18,700,000	\$400,000	
Lone Tree Widening – Phase 3	Lone Tree Road: Pine Knoll Drive to J.W. Powell Boulevard	\$8,500,000	\$16,900,000	
Beulah Boulevard Extension	Beulah Boulevard: Forest Meadows Street to Yale Street	\$16,500,000		
Bicycle and Pedestrian Improvements*	Various	\$16,500,000	18,000,000	
Neighborhood Plans	Various		\$1,600,000	
General Improvements & Partnering Opportunity	Various		\$18,300,000	
Traffic Signal and Advanced Traffic Management	Various		\$4,300,000	
Street Lighting (Dark Skies)	Various		\$9,800,000	
Operations and Maintenance	Citywide	\$145,300,000	\$133,000,000	\$428,700,000
Total		\$323,300,000	\$300,700,000	\$448,000,000

Note: All values are rounded to nearest hundred thousand.

2.4. Revenue and Expenditure Review

Figure 2 provides a summary of the expected revenues and expenditures for the City of Flagstaff transportation system.

Figure 2 – City of Flagstaff Revenue and Expenditures Summary



The City of Flagstaff projections show a \$126.4 million surplus over the course of the planning horizon; however, there are a few caveats to consider:

1. Additional capital projects have not been identified for years 2040-2045, though revenue associated with an extension of Prop 419 was included in revenues for these years and is anticipated to yield \$95.7 million.
2. Due to recent inflation, capital project cost estimates increased from \$292.6 million in the CTTC package to \$363.5 million. For example, Beulah Boulevard Extension from Forest Meadows Street to Yale Street was initially estimated to cost \$9 million in 2014 and \$19.3 million in 2022, a 114% increase. This is in line with inflation information presented in **Section 1.2**. Revenue collection has outperformed initial projections, but to a lesser extent than inflation.
3. Capital projects proposed in Prop 419/420 increase the O&M responsibilities of City of Flagstaff.
4. City of Flagstaff appears to be over-programmed in the near- and mid-term horizons.
5. Project costs were updated using revised unit costs; it is probable other factors will further increase costs (e.g., labor availability, bidding environment, continuing inflation, etc.).
6. No debt-financing costs are included.

Construction costs have increased 76% from 2017 to 2022 according to the ADOT Construction Cost Index (see **Figure 1**).

Bearing these considerations, as well as the uncertain financial climate, it is more conservative to monitor revenue and expenditures through the short-term prior to introducing plans for additional capital projects. Should funding be available, immediate recommendations include considering project advancement in line with Stride Forward policies; namely, advancing additional bicycle and pedestrian infrastructure identified in the ATMP, considering projects to enhance safety for all users, and considering ITS-based solutions for future capacity needs. Additionally, available funding may be used to cover excess project costs and unforeseen expenses.

For the short-term shortfall, City of Flagstaff may be able to “borrow” – or debt finance, funds from other sources to repay with outer year revenues. Conversely, project delivery can be extended to outer years.

3.0 Coconino County

3.1. Funding Sources and Revenue Projections

Coconino County primarily receives funding from taxes including HURF, VLT, and the Road Maintenance Sales Tax (Prop 403). The following describes the methodology used to develop revenue projections and assumptions made:

- Coconino County is 18,000 square miles whereas MetroPlan is 565 square miles within the county. Revenues are included for the entirety of Coconino County’s jurisdiction which includes areas outside of the MetroPlan region.
- Initial projections and growth rates for Proposition 403, HURF, and VLT were provided by Coconino County through FY 2031. Proposition 403 is expected to expire on December 31, 2034.
- Growth rates provided from Coconino County were extended through the planning horizon as appropriate including an assumption for a recession every seven years.
- Prop 403 was assumed to renew and extend to 2045. Growth rates and assumptions from previous years were used to estimate revenues from FY 2031-2045.

Table 4 summarizes the estimated revenue for Coconino County. Note, revenues fund projects throughout Coconino County, including the area beyond the MetroPlan boundary.

Revenue Source	Short-term (0-5 years)	Mid-term (5-10 years)	Long-term (10+years)	Valid Through	Total through 2045*	% of Total
Proposition 403*	\$57,500,000	\$69,000,000	\$229,300,000	December 31, 2034	\$355,800,000	48.3%
HURF	\$63,100,000	\$66,900,000	\$188,300,000	No expiration	\$318,300,000	43.2%
VLT	\$11,500,000	\$13,400,000	\$37,200,000	No expiration	\$62,100,000	8.4%
Total	\$132,100,000	\$149,300,000	\$454,800,000	-	\$736,200,000	100.0%

Note: Values are rounded up to the nearest hundred thousand. *Proposition 403 expires December 31, 2034 but is projected to continue through the horizon year, 2045

3.2. Projected Expenditures

Expenditure projections were developed to the horizon year (2045) based on the assumptions described below. Expenditures are provided in current year, 2022, dollars. Coconino County expenditures were developed based on the Coconino County Public Works 2022 Capital Improvement CIP (FY 2022-FY 2031).

3.2.1. Capital Expenditures

A summary of the capital projects expected to be developed by Coconino County within the MetroPlan boundary is provided in **Table 5**. The following assumptions were made when developing projected capital expenditures:

- Projects and cost estimates were provided by Coconino County.
- Project cost estimates from the County were used whenever possible.
- Only capital projects within the MetroPlan region were considered.

Table 5 – Summary of Estimated Capital Expenditures for Coconino County

Project Name	Project Limits	Total Projected Capital Expenditure
Kachina Trail Reconstruction Phase III	Kachina Trail: Kona Trail. to Tolani Trail	\$260,000
Kachina Trail Reconstruction Phase IV	Kachina Trail: Kachina Boulevard to Canyon Loop	\$970,000
Ancient Trail (Kachina Trail to Tonalea Trail)	Ancient Trail: Kachina Trail to Tonalea Trail	\$1,100,000
Stardust Trail Widening & Reconstruction	Stardust Trail: Yancey Lane. to McGee Road	\$2,300,000
Copeland Lane Reconstruction	Copeland Lane: US 89 to Copeland Lane	\$1,600,000
Mount Elden Lookout Road Reconstruction	Mount Elden Lookout Road: Schultz Pass Road - Larkspur Lane	\$460,000
Bellemont Roundabout #2	Shadow Mountain Drive and Brannigan Park Road and Hughes Avenue	\$4,000,000
Doney Park School Access and Road Improvements	Neptune Drive: Skeet Drive to Lunar Drive	\$730,000
Cinder Lake Landfill Road Reconstruction (HURF)	Cinder Lake Landfill Road: US 89 to End	\$1,700,000
Winona Ranch Road Reconstruction	Winona Ranch Road: I-40 - Maverick Road	\$1,700,000
Townsend-Winona Road Widening	Townsend-Winona Road: US 89 - Koch Field Road	\$250,000
Total		\$15,070,000
Note: All values over \$1 million are rounded to nearest hundred thousand; values less than \$1 million are rounded up to nearest ten thousand.		

3.2.2. Operation and Maintenance

Through coordination with Coconino County, it was assumed that all HURF and VLT revenues would be utilized to fund operation and maintenance expenditures. Based on this assumption, O&M costs through the horizon year are estimated to be approximately \$380,400,000.

3.3. Implementation and Project Programming

Implementation of these projects is categorized by short-, mid- and long-term. Short-term projects will be implemented within the next 5 years (0-5), mid-term projects will be implemented in the following 5-year period (6-10), and long-term projects will be implemented in 10 or more years (10+). Project implementation was developed to align with existing programming documents and based on input from MetroPlan, and Coconino County. Coconino County expenditures are summarized in **Table 6**. Short-term programming aligns with existing capital plans for Coconino County; Costs per project were updated per the estimates associated with this memorandum. Coconino County O&M costs are not limited to the MetroPlan boundary.

Table 6 – Coconino County Expenditures by Horizon

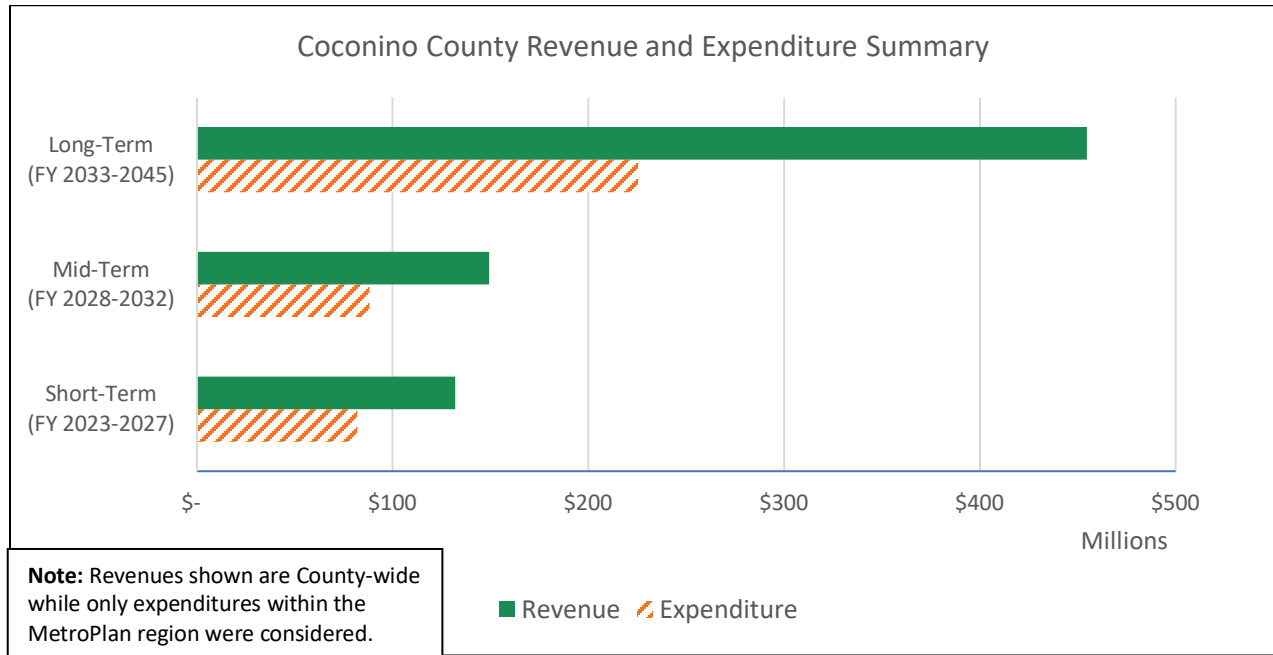
Project	Limits	Short-Term Cost	Mid-Term Cost	Long-Term Cost
Kachina Trail Reconstruction Phase III	Kachina Trail: Kona Trail. to Tolani Trail	\$260,000		
Kachina Trail Reconstruction Phase IV	Kachina Trail: Kachina Boulevard to Canyon Loop	\$970,000		
Ancient Trail (Kachina Trl. to Tonalea Trl.)	Ancient Trail: Kachina Trail to Tonalea Trail	\$1,100,000		
Stardust Trail Widening & Reconstruction	Stardust Trail: Yancey Lane. to McGee Road	\$2,300,000		
Copeland Lane Reconstruction	Copeland Lane: US 89 to Copeland Lane	\$200,000	\$1,400,000	
Mount Elden Lookout Rd Reconstruction	Mount Elden Lookout Road: Schultz Pass Road - Larkspur Lane		\$460,000	
Bellemont Roundabout #2	Shadow Mountain Drive and Brannigan Park Road and Hughes Avenue		\$4,000,000	
Doney Park School Access and Road Improvements	Neptune Drive: Skeet Drive to Lunar Drive	\$730,000		
Cinder Lake Landfill Rd Reconstruction (HURF)	Cinder Lake Landfill Road: US 89 to End	\$1,700,000		
Winona Ranch Rd Reconstruction	Winona Ranch Road: I-40 - Maverick Road		\$1,700,000	
Townsend-Winona Rd Widening	Townsend-Winona Road: US 89 - Koch Field Road		\$250,000	
Operations and Maintenance	Countywide	\$74,600,000	\$80,300,000	\$225,500,000
Total		\$81,860,000	\$88,110,000	\$225,500,000

Note: All values over \$1 million are rounded to nearest hundred thousand; values less than \$1 million are rounded up to nearest ten thousand.

3.4. Revenue and Expenditure Review

Figure 3 provides a summary of the expected revenues and expenditures for the Coconino County transportation system.

Figure 3 – Coconino County Revenue and Expenditure Summary



Coconino County projections show a \$341 million surplus over the course of the planning horizon; however, there are a few caveats to consider:

1. Revenue for the entire county was included in the revenue projections, while only capital expenditures within the MetroPlan region were considered. The surplus represents 46% of projected revenues. This is in keeping with population percentages, lane miles, and facility types (i.e., larger, more heavily travelled roads) between the MetroPlan region and the County as a whole.
2. Additional capital projects have not been identified for years 2035-2045, though revenue associated with an extension of Prop 403 was included in revenues for these years and is anticipated to yield \$198.6 million.
3. Due to recent inflation, capital project cost estimates derived in association with Prop 403 likely underestimate project costs.

As in the case of City of Flagstaff, it is more conservative to monitor revenue and expenditures through the short-term prior to introducing plans for additional capital projects. Short-term surplus funding presents opportunities to pursue federal programs (often up to a 20% match) to implement larger projects, to complete necessary maintenance, or to accelerate Prop 403 project delivery.

4.0 Mountain Line

4.1. Funding Sources and Revenue Projections

Mountain Line receives funding from passenger fares, Prop 411, and grants. Many of these grants are provided by the Federal Transit Administration (FTA), and ADOT. An intergovernmental agreement (IGA) between the City of Flagstaff and Mountain Line allocates revenue from Prop 411 to Mountain Line in exchange for transit services. The following describes the methodology used to develop revenue projections and assumptions made:

- Initial projections and growth rates for Passenger Fares, FTA Formula Fund and Capital Programs, Prop 411, Northern Arizona University (NAU), and Other Funds were provided by Mountain Line through FY 2040.
- Projections for 2040-2045 were assumed to follow the trajectories shown from 2023-2040 for Passenger Fares and FTA Formula, and Capital Programs.
- Revenues were estimated to be equal to expenditures following the projections provided by Mountain Line.
- As revenues were provided by Mountain Line, no recession cycles were included.

Table 7 summarizes the estimated revenue for Mountain Line.

Table 7 – Summary of Estimated Revenue for Mountain Line						
Revenue Source	Short-term (0-5 years)	Mid-term (5-10 years)	Long-term (10+years)	Valid Through	Total through 2045*	% of Total
Passenger Fares*	\$7,200,000	\$7,400,000	\$19,900,000	No expiration	\$34,500,000	7.5%
FTA Formula Funds	\$93,700,000	\$22,000,000	\$46,600,000	No expiration	\$162,300,000	35.4%
NAU	\$500,000			No expiration	\$500,000	0.1%
Other	\$12,700,000	\$2,100,000	\$5,600,000	No expiration	\$20,400,000	4.5%
Proposition 411	\$42,500,000	\$44,700,000	\$153,100,000	FY 2029-2030	\$240,300,000	52.5%
Total	\$156,600,000	\$76,200,000	\$225,200,000	-	\$458,000,000	100.0%

Note: Values are rounded up to the nearest hundred thousand. *Includes On-board, U-Pass, C-Pass, and agency fares

4.2. Projected Expenditures

Expenditure projections were developed to the horizon year (2045) based on the assumptions described below. Expenditures are provided in current year, 2022, dollars. Expenditure projections were developed and provided by Mountain Line.

4.2.1. Capital Expenditures

Capital expenditures are estimated to be \$118,100,000 through the horizon year. The following assumptions were made when developing projected capital expenditures.

- Initial projections and growth rates for Capital and Operations and Maintenance Expenditures were provided by Mountain Line through FY 2040.
- A balanced budget was assumed to continue after 2040. As such, expenditures were estimated to be equal to revenues.
- Large capital grant projects like the Downtown Connection Center and CDL Training Course are excluded to simplify analysis.

4.2.2. Operations and Maintenance Costs

O&M costs through the horizon year were provided by Mountain Line and are estimated to be approximately \$339,900,000.

4.3. Implementation and Project Programming

Implementation of these projects is categorized by short-, mid- and long-term. Short-term projects will be implemented within the next 5 years (0-5), mid-term projects will be implemented in the following 5-year period (6-10), and long-term projects will be implemented in 10 or more years (10+). Project implementation was developed to align with existing programming documents and based on input from MetroPlan, and Mountain Line. Mountain Line expenditures are summarized in **Table 8**.

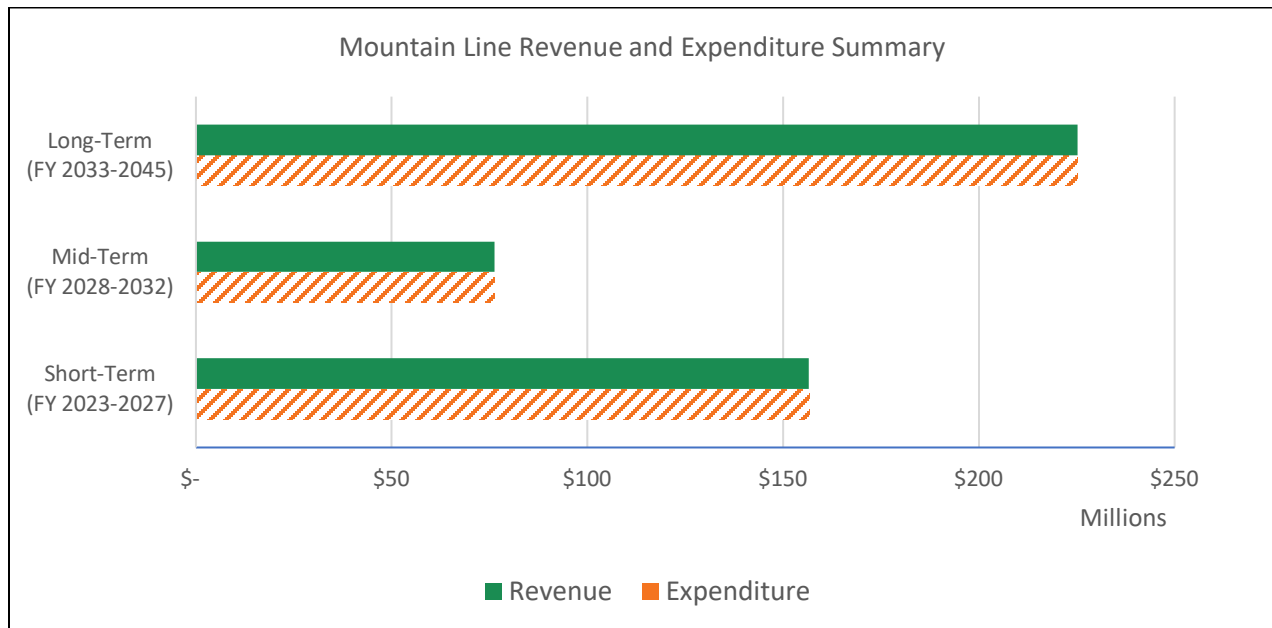
Project	Limits	Short-Term Cost	Mid-Term Cost	Long-Term Cost
Capital	Mountain Line Service Areas	\$96,000,000	\$8,900,000	\$13,200,000
Operations and Maintenance	Mountain Line Service Areas	\$60,600,000	\$67,300,000	\$212,000,000
Total		\$156,600,000	\$76,200,000	\$225,500,000

Note: All values over \$1 million are rounded to nearest hundred thousand.

4.4. Revenue and Expenditure Review

Figure 4 provides a summary of the expected revenues and expenditures for the Mountain Line transportation system.

Figure 4 – Mountain Line Revenue and Expenditure Summary



Overall, through the horizon years, there is a balance of revenues and expenditures for Mountain Line. Mountain Line may pursue additional funds through a new funding proposition that would allow expansion of transit services.

Appendix FP-1: Revenue Projections

Appendix FP-1

City of Flagstaff	FY2020-FY2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
	<u>Actual</u>	<u>Budget</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
2014 Road Repair and Safety	\$ 23,632,509	\$ 8,298,700	\$ 9,044,500	\$ 9,207,000	\$ 9,483,200	\$ 9,767,800	\$ 10,060,800	\$ 10,362,700
2018 RT 66/Butler Overpass	\$ 16,471,128	\$ 5,783,900	\$ 6,303,800	\$ 6,417,000	\$ 6,609,500	\$ 6,807,800	\$ 7,012,100	\$ 7,222,500
2018 Transportation Tax	\$ 21,703,208	\$ 10,712,800	\$ 11,675,700	\$ 11,885,400	\$ 12,242,000	\$ 12,609,300	\$ 12,987,500	\$ 13,377,300
HURF	\$ -	\$ 9,733,574	\$ 10,093,716	\$ 10,467,184	\$ 10,854,469	\$ 10,452,854	\$ 10,452,854	\$ 10,452,854
VLT	\$ -	\$ 4,379,424	\$ 4,646,569	\$ 4,930,010	\$ 5,230,740	\$ 4,911,665	\$ 4,911,665	\$ 4,911,665
Total	\$ 61,806,845	\$ 38,908,398	\$ 41,764,285	\$ 42,906,593	\$ 44,419,910	\$ 44,549,419	\$ 45,424,919	\$ 46,327,019
Coconino County								
HURF	\$ -	\$ 12,100,000	\$ 12,463,000	\$ 12,712,260	\$ 12,839,383	\$ 12,967,776	\$ 13,097,454	\$ 13,228,429
VLT	\$ -	\$ 2,654,691	\$ 2,073,671	\$ 2,135,880	\$ 2,221,316	\$ 2,343,488	\$ 2,507,532	\$ 2,632,909
Road Maintenance Sales Tax Revenues	\$ -	\$ 12,029,100	\$ 11,427,645	\$ 10,970,539	\$ 11,299,655	\$ 11,751,642	\$ 12,456,740	\$ 13,328,712
Total	\$ -	\$ 26,783,791	\$ 25,964,316	\$ 25,818,679	\$ 26,360,354	\$ 27,062,906	\$ 28,061,726	\$ 29,190,050
NAIPTA								
Passenger Fares (on-board)	\$ -	\$ 822,528	\$ 830,202	\$ 837,952	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780
Passenger Fares (U-Pass, C-Pass and agency)	\$ -	\$ 586,219	\$ 592,082	\$ 598,002	\$ 603,982	\$ 610,022	\$ 616,122	\$ 622,284
FTA Sec 5307 Formula Program (up to 50% of net)	\$ -	\$ 4,219,174	\$ 3,860,304	\$ 3,860,304	\$ 3,860,304	\$ 3,329,311	\$ 2,999,000	\$ 2,999,000
FTA Sec 5307 Capital Program (up to 80% of costs)	\$ -	\$ 108,000	\$ 120,000	\$ 132,000	\$ 144,000	\$ 168,000	\$ 62,633	\$ -
FTA Sec 5339 Capital Program (up to 80% of costs)	\$ -	\$ 42,994,276	\$ 16,056,922	\$ 2,662,928	\$ 62,400	\$ 12,114,608	\$ -	\$ 2,101,532
Transit Tax	\$ -	\$ 9,124,969	\$ 8,393,050	\$ 7,316,958	\$ 6,831,772	\$ 10,811,295	\$ 8,208,300	\$ 8,817,992
NAU	\$ -	\$ 437,558						
Other	\$ -	\$ 8,139,058	\$ 2,776,455	\$ 574,331	\$ 615,305	\$ 616,299	\$ 417,313	\$ 418,348
<u>Sub total</u>	\$ -	\$ 57,306,814	\$ 24,235,964	\$ 8,665,517	\$ 6,131,772	\$ 17,684,020	\$ 4,940,849	\$ 6,986,944
Total	\$ -	\$ 66,431,782	\$ 32,629,015	\$ 15,982,475	\$ 12,963,543	\$ 28,495,315	\$ 13,149,148	\$ 15,804,936

Appendix FP-1

City of Flagstaff	FY 2030	FY 2031	FY 2032	FY 2033	FY 2034	FY 2035	FY 2036	FY 2037	FY 2038
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
2014 Road Repair and Safety	\$ 10,673,600	\$ 10,353,400	\$ 10,353,400	\$ 10,353,400	\$ 10,664,002	\$ 10,983,922	\$ 11,313,440	\$ 11,652,843	\$ 12,002,428
2018 RT 66/Butler Overpass	\$ 7,439,100	\$ 7,216,000	\$ 7,216,000	\$ 7,216,000	\$ 7,432,480	\$ 7,655,454	\$ 7,885,118	\$ 8,121,672	\$ 8,365,322
2018 Transportation Tax	\$ 13,778,600	\$ 13,365,300	\$ 13,365,300	\$ 13,365,300	\$ 13,766,259	\$ 14,179,247	\$ 14,604,624	\$ 15,042,763	\$ 15,494,046
HURF	\$ 10,839,610	\$ 11,240,675	\$ 11,656,580	\$ 12,087,874	\$ 12,535,125	\$ 12,998,925	\$ 12,517,964	\$ 12,517,964	\$ 12,517,964
VLT	\$ 5,211,277	\$ 5,529,165	\$ 5,866,444	\$ 6,224,297	\$ 6,603,979	\$ 7,006,822	\$ 6,579,406	\$ 6,579,406	\$ 6,579,406
Total	\$ 47,942,186	\$ 47,704,540	\$ 48,457,724	\$ 49,246,870	\$ 51,001,845	\$ 52,824,369	\$ 52,900,552	\$ 53,914,647	\$ 54,959,166
Coconino County									
HURF	\$ 13,360,713	\$ 13,494,320	\$ 13,679,867	\$ 13,867,965	\$ 14,058,650	\$ 14,251,956	\$ 14,052,429	\$ 14,052,429	\$ 14,052,429
VLT	\$ 2,711,896	\$ 2,739,015	\$ 2,761,658	\$ 2,784,488	\$ 2,807,507	\$ 2,830,716	\$ 2,807,315	\$ 2,807,315	\$ 2,807,315
Road Maintenance Sales Tax Revenues	\$ 13,995,147	\$ 14,415,001	\$ 14,775,376	\$ 15,144,760	\$ 15,523,379	\$ 15,911,464	\$ 16,309,251	\$ 16,716,982	\$ 17,134,906
Total	\$ 30,067,756	\$ 30,648,336	\$ 31,216,901	\$ 31,797,213	\$ 32,389,536	\$ 32,994,136	\$ 33,168,994	\$ 33,576,725	\$ 33,994,650
NAIPTA									
Passenger Fares (on-board)	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780
Passenger Fares (U-Pass, C-Pass and agency)	\$ 628,507	\$ 634,793	\$ 641,142	\$ 647,554	\$ 654,030	\$ 660,572	\$ 667,178	\$ 673,851	\$ 680,591
FTA Sec 5307 Formula Program (up to 50% of net)	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000
FTA Sec 5307 Capital Program (up to 80% of costs)	\$ 125,266	\$ -	\$ 125,266	\$ -	\$ 125,266	\$ -	\$ 125,266	\$ -	\$ 125,266
FTA Sec 5339 Capital Program (up to 80% of costs)	\$ -	\$ 2,229,515	\$ 2,296,401	\$ -	\$ 4,134,377	\$ -	\$ -	\$ -	\$ 2,742,023
Transit Tax	\$ 8,604,014	\$ 9,358,425	\$ 9,696,844	\$ 9,330,277	\$ 10,696,282	\$ 9,881,149	\$ 10,224,707	\$ 10,454,540	\$ 11,495,205
NAU									
Other	\$ 419,403	\$ 420,479	\$ 421,576	\$ 422,696	\$ 423,838	\$ 425,003	\$ 426,191	\$ 427,402	\$ 428,638
<u>Sub total</u>	<u>\$ 5,017,955</u>	<u>\$ 7,129,567</u>	<u>\$ 7,329,165</u>	<u>\$ 4,915,030</u>	<u>\$ 9,182,292</u>	<u>\$ 4,930,354</u>	<u>\$ 5,063,415</u>	<u>\$ 4,946,034</u>	<u>\$ 7,821,298</u>
Total	\$ 13,621,970	\$ 16,487,992	\$ 17,026,009	\$ 14,245,307	\$ 19,878,573	\$ 14,811,504	\$ 15,288,122	\$ 15,400,573	\$ 19,316,503

Appendix FP-1

City of Flagstaff	FY 2039	FY 2040	FY 2041	FY 2042	FY 2043	FY 2044	FY 2045
	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
2014 Road Repair and Safety	\$ 12,362,501	\$ 11,991,626	\$ 11,991,626	\$ 11,991,626	\$ 12,351,375	\$ 12,721,916	\$ 13,103,574
2018 RT 66/Butler Overpass	\$ 8,616,281	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018 Transportation Tax	\$ 15,958,867	\$ 15,480,101	\$ 15,480,101	\$ 15,480,101	\$ 15,944,504	\$ 16,422,839	\$ 16,915,524
HURF	\$ 12,981,129	\$ 13,461,431	\$ 13,959,504	\$ 14,476,005	\$ 15,011,618	\$ 15,567,047	\$ 16,143,028
VLT	\$ 6,980,749	\$ 7,406,575	\$ 7,858,376	\$ 8,337,737	\$ 8,846,339	\$ 9,385,966	\$ 9,958,510
Total	\$ 56,899,528	\$ 48,339,733	\$ 49,289,607	\$ 50,285,470	\$ 52,153,835	\$ 54,097,768	\$ 56,120,636
Coconino County							
HURF	\$ 14,245,649	\$ 14,441,527	\$ 14,640,098	\$ 14,841,399	\$ 15,045,469	\$ 15,252,344	\$ 15,462,063
VLT	\$ 2,830,522	\$ 2,853,922	\$ 2,877,514	\$ 2,901,302	\$ 2,925,287	\$ 2,949,469	\$ 2,973,852
Road Maintenance Sales Tax Revenues	\$ 17,563,279	\$ 18,002,361	\$ 18,452,420	\$ 18,913,730	\$ 19,386,574	\$ 19,871,238	\$ 20,368,019
Total	\$ 34,639,451	\$ 35,297,810	\$ 35,970,032	\$ 36,656,432	\$ 37,357,329	\$ 38,073,051	\$ 38,803,934
NAIPTA							
Passenger Fares (on-board)	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780	\$ 845,780
Passenger Fares (U-Pass, C-Pass and agency)	\$ 687,397	\$ 694,272	\$ 694,272	\$ 694,272	\$ 694,272	\$ 694,272	\$ 694,272
FTA Sec 5307 Formula Program (up to 50% of net)	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000	\$ 2,999,000
FTA Sec 5307 Capital Program (up to 80% of costs)	\$ -	\$ 125,266	\$ -	\$ 125,266	\$ -	\$ 125,266	\$ -
FTA Sec 5339 Capital Program (up to 80% of costs)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transit Tax	\$ 11,051,366	\$ 11,418,596	\$ 11,881,394	\$ 15,907,908	\$ 12,977,155	\$ 13,611,205	\$ 14,144,166
NAU							
Other	\$ 429,899	\$ 431,185	\$ 431,185	\$ 431,185	\$ 431,185	\$ 431,185	\$ 431,185
<u>Sub total</u>	<u>\$ 4,962,077</u>	<u>\$ 5,095,503</u>	<u>\$ 4,970,237</u>	<u>\$ 4,970,237</u>	<u>\$ 4,970,237</u>	<u>\$ 4,970,237</u>	<u>\$ 4,970,237</u>
Total	\$ 16,013,442	\$ 16,514,099	\$ 16,851,631	\$ 21,003,411	\$ 17,947,392	\$ 18,706,708	\$ 19,114,403