# Chapter 3
# Financing Our Future

San Diego FORWARD
The Regional Plan

# 3 Financing Our Future

## How we'll pay for the Regional Plan

### Paying for the Regional Plan

San Diego Forward: The Regional Plan (Regional Plan) is ambitious. Over the next 35 years, through 2050, the Regional Plan projects that about $204 billion in local, state, and federal tax dollars will be available to build a comprehensive, interconnected transportation system that provides more choices. As with the Regional Transportation Plan, adopted in 2011, the Regional Plan extends to 2050 to allow our region to incorporate all transportation projects and programs that voters approved in the *TransNet* Ordinance, which extends to 2048. SANDAG is working creatively to leverage available funds in order to maximize every dollar. Even so, there is a finite amount of anticipated funding available over the next three and a half decades. As we mentioned at the end of Chapter 2, this chapter (Financing our Future), and the appendices it references, comprise the financial element of the Regional Plan, as required by law.

## Where Our Transportation Funds Come From, and How We Can Invest Them

### Building a transportation system we can afford

*Federal law requires SANDAG to develop a Regional Plan built on reasonable assumptions of the revenues that will be available during the time period covered by that plan.*

Federal law requires SANDAG to develop a regional plan built on reasonable assumptions of the revenues that will be available during the time period covered by that plan. While we're anticipating around $204 billion over 35 years, we don't have all the money right now. Also, a majority of the funding sources are tied to certain types of projects (for example, transit infrastructure or highway operations and maintenance) and we don't have the authority to interchange them. These constraints come with specific provisions from Congress or the state Legislature. The "revenue constrained scenario" for transportation investments detailed in our Regional Plan plays by those rules. It's what we can do given the budget we project. From this point on, we'll refer to the "revenue constrained network" as our investment plan for transportation.

Our investment plan will be funded by a combination of local, state, and federal revenues. Local funds make up 48 percent of the total projected revenue, state funds make up 34 percent, and federal funds amount to 18 percent (Figure 3.1). Because funding will not be available all at once, projects will be constructed as the money becomes available. This is shown in Figure 3.2.

**Figure 3.1**
**Major Revenue Sources**
$204 billion in Year of Expenditure

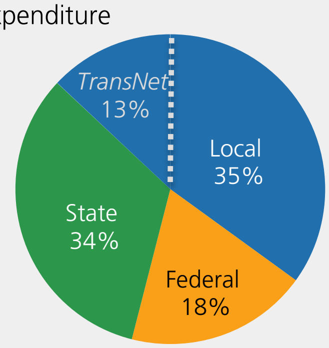



**Figure 3.2**
**Phased Revenues**
$204 billion in Year of Expenditure

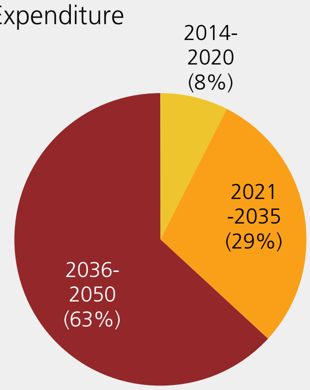



Table 3.1 outlines income sources within each revenue category. All revenues have been escalated to the year that the money will be spent, and they are based on the escalation factor appropriate for that specific revenue source.[1] It should be noted that the Regional Plan includes assumptions for new fund sources at the local, state, and federal levels. These include a potential new local funding source, fees charged for the number of miles driven by cars and trucks, and new gas taxes. While the actual timing and amount of these new fund sources may vary from what is assumed, given how new fund sources have been approved at various times over the past several decades,  it is reasonable to assume that new fund sources will continue to be established in the future. None of the new fund sources are assumed to begin prior to 2020, but they would be required in order to complete all of the projects in the Regional Plan.

**Table 3.1**

## Revenue Sources

| | Estimated Revenues (in millions of YOE dollars)[a] | | | |
|---|---|---|---|---|
| | FY 2014-2020 | FY 2021-2035 | FY 2036-2050 | Total |
| *Local* | | | | |
| *TransNet* | $1,796 | $7,454 | $13,574 | $22,824 |
| *TransNet* (Bond Proceeds) | $1,257 | $1,870 | $405 | $3,532 |
| Transportation Development Act | $1,019 | $3,695 | $6,729 | $11,443 |
| Developer Impact Fees | $191 | $438 | $393 | $1,022 |
| City/County Local Gas Taxes | $871 | $1,903 | $2,438 | $5,212 |
| General Fund/Miscellaneous Local Road Funds | $1,990 | $5,942 | $9,257 | $17,189 |
| Future Local Revenues for Transportation | $169 | $3,727 | $6,787 | $10,683 |
| Toll Road Funding (I-5/I-15/SR 11/SR 241) | $494 | $0 | $7,454 | $7,948 |
| Public Private Partnerships/Transit Oriented Development | $5 | $119 | $192 | $316 |
| FasTrak® Revenues | $48 | $337 | $1,274 | $1,659 |
| Passenger Fares | $942 | $4,771 | $9,567 | $15,280 |
| Motorist Aid Services - Call Box Program | $56 | $147 | $198 | $401 |
| Prior Year Funds in Regional Transportation Improvement Program | $410 | $111 | $0 | $521 |
| **Subtotal** | **$9,248** | **$30,514** | **$58,268** | **$98,030** |
| *State* | | | | |
| Active Transportation Program | $67 | $248 | $617 | $932 |
| State Transportation Improvement Program | $262 | $947 | $2,379 | $3,588 |
| State Transit Assistance Program | $175 | $492 | $906 | $1,573 |
| State Highway Operations and Preservation Program and Operations/Maintenance | $1,334 | $4,587 | $9,529 | $15,450 |
| Future State Revenues for Transportation | $128 | $4,380 | $6,219 | $10,727 |
| Cap and Trade | $97 | $895 | $1,343 | $2,335 |
| Transportation Bond/Infrastructure Programs | $263 | $4,138 | $8,348 | $12,749 |
| State Managed Federal Programs | $403 | $1,397 | $2,905 | $4,705 |
| High-Speed Rail | $0 | $0 | $17,182 | $17,182 |
| Prior Year Funds in Regional Transportation Improvement Program | $254 | $0 | $0 | $254 |
| **Subtotal** | **$2,983** | **$17,084** | **$49,428** | **$69,495** |
| *Federal* | | | | |
| Federal Transit Administration Discretionary | $876 | $4,314 | $1,695 | $6,885 |
| Federal Transit Administration Formula Programs | $700 | $1992 | $5811 | $8,503 |
| Congestion Mitigation and Air Quality/ Regional Surface Transportation Program | $485 | $1,496 | $4,593 | $6,574 |
| Federal Highway Administration Discretionary | $4 | $37 | $86 | $127 |
| Other Financing (Grant Anticipation Notes) | $547 | $0 | $0 | $547 |
| Future Federal Revenues for Transportation | $184 | $3,270 | $5,377 | $8,831 |
| Federal Railroad Administration | $39 | $487 | $787 | $1,313 |
| Corridors and Borders Infrastructure/Other Freight Funds | $21 | $842 | $2,287 | $3,150 |
| Prior Year Funds in Regional Transportation Improvement Program | $305 | $14 | $0 | $319 |
| **Subtotal** | **$3,161** | **$12,452** | **$20,636** | **$36,249** |
| **Grand Total Revenue Sources** | **$15,392** | **$60,050** | **$128,332** | **$203,774** |

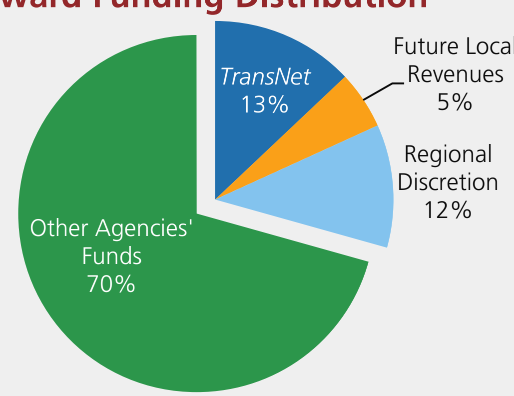
[a] Year of Expenditure (YOE)


Also, certain funds can only be used for certain projects. For example, *TransNet* sales tax revenue can only be used for specific projects and programs.[2] Some funds will become available on a yearly, ongoing basis; others will be delivered in a single payment at one particular point in time. The timing also can depend on when the state Legislature and federal government pass their budgets. All this means that scheduling projects can be tricky. And certainly, not all of the projects in the Regional Plan can be built at once.

SANDAG, as an agency, has purview over a relatively small portion of the overall funds included in this Regional Plan, and therefore must continue to work creatively on how best to leverage the available dollars (Figure 3.3). We have further constraints on when money becomes available during the lifespan of the Regional Plan, and we also have constraints on which dollars stay with SANDAG and which dollars are distributed directly to other agencies to maintain, operate, and rehabilitate the transportation network. For example, the majority of the funds included in the Regional Plan are distributed directly to agencies such as Caltrans and the transit agencies for highway and transit operations and maintenance needs, as well as the cities and County for their local streets and roads.

**Figure 3.3**

## San Diego Forward Funding Distribution



## Our Investment Plan for Transportation: A Brief Analysis

Table 3.2 and Figure 3.4 summarize the nearly $204 billion in transportation expenditures included in the investment plan.[3] Regardless of which agencies expend the funds (as described above), here's an overall breakdown of how this money will be spent:

- Fifty percent is for public transit (29% for capital projects and 21% for operations).
- Fifteen percent is for Managed Lanes and connectors, including those that support public transit.
- Thirteen percent is for improvements to local streets and roads and rail grade.
- Eight percent is for rehabilitating highways and making them work more efficiently.
- Six percent is for other highway lanes and connector improvements.
- Four percent is for servicing debt.
- Three percent is for projects that promote walking and biking,[4] as well as smart growth.
- One percent is for managing the overall transportation network and the demands on it to make it more efficient.[5]

More than a third of total expenditures is designated for the operation, maintenance, and rehabilitation of transit, highways, and local streets and roads.

**Figure 3.4**

### Major Project Expenditures

Nearly $204 billion in year of expenditures (YOE) dollars

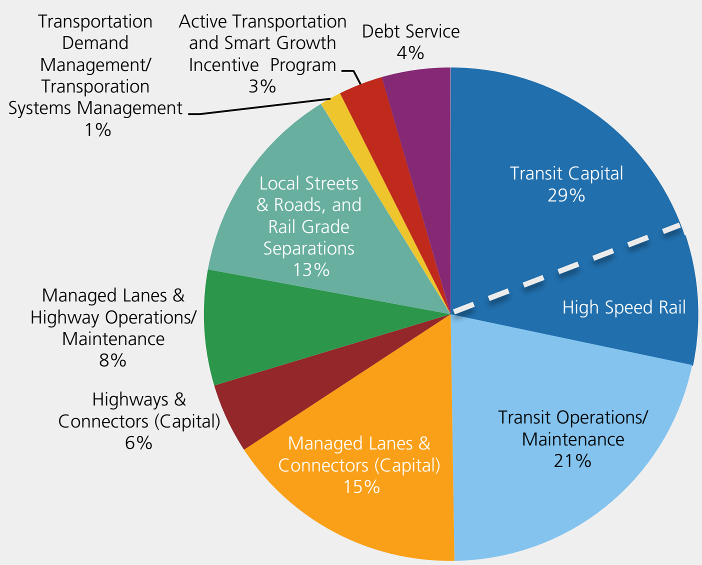


Table 3.2

## Major Expenditures by Mode

| Project Categories | Estimated Expenditures (in millions of YOE dollars)[a] FY 2014-2020 | FY 2021-2035 | FY 2036-2050 | Total |
|---|---|---|---|---|
| *Transit Facilities* | | | | |
| Major New Facilities | $2,560 | $10,833 | $15,470 | $28,863 |
| Miscellaneous Capital/Rehabilitation/Replacement | $680 | $3,742 | $7,341 | $11,763 |
| Transit Operations | $2,657 | $12,062 | $24,561 | $39,280 |
| ADA and Specialized Transportation Services[b] | $266 | $1,206 | $2,456 | $3,928 |
| High-Speed Rail | $0 | $0 | $17,182 | $17,182 |
| **Subtotal** | **$6,163** | **$27,843** | **$67,010** | **$101,016** |
| | | | | |
| *Managed Lanes and Highway Improvements* | | | | |
| Managed Lanes | $2,346 | $9,541 | $17,812 | $29,699 |
| Highways | $306 | $224 | $8,931 | $9,461 |
| Managed Lanes Connectors | $14 | $888 | $503 | $1,405 |
| Freeway Connectors | $72 | $1,026 | $265 | $1,363 |
| Operations / Maintenance / Rehabilitation | $1,357 | $4,662 | $9,638 | $15,657 |
| **Subtotal** | **$4,095** | **$16,341** | **$37,149** | **$57,585** |
| *Local Streets and Roads (Capital, Rehabilitation, and Operations/Maintenance)* | | | | |
| Local Streets and Roads | $3,164 | $8,573 | $14,851 | $26,588 |
| **Subtotal** | **$3,164** | **$8,573** | **$14,851** | **$26,588** |
| *Debt Service* | | | | |
| Debt Service | $863 | $3,834 | $4,477 | $9,174 |
| **Subtotal** | **$863** | **$3,834** | **$4,477** | **$9,174** |
| *Active Transportation/Systems Management/Demand Management* | | | | |
| Smart Growth Incentive Program | $121 | $352 | $533 | $1,006 |
| Regional Rail Grade Separations | $0 | $0 | $720 | $720 |
| Active Transportation Program | $588 | $1,716 | $2,596 | $4,900 |
| Transportation Systems and Demand Management | $398 | $1,391 | $996 | $2,785 |
| **Subtotal** | **$1,107** | **$3,459** | **$4,845** | **$9,411** |
| **Grand Total Cost** | **$15,392** | **$60,050** | **$128,332** | **$203,774** |

[a] Year of Expenditure (YOE)

[b] ADA and Specialized Transportation Services costs represents 5 percent each of the total transit operations cost (10 percent total)

## The Regional Plan's major funding sources

### Local Revenues

*TransNet Half-Cent Local Sales Tax*

The countywide transportation sales tax *TransNet,* which was first approved in 1987 implemented major transit and highway projects. It also funded improvements to local streets and roads, as well as bike and pedestrian facilities. In November 2004, San Diego County voters approved an extension of *TransNet* from 2008 to 2048. The *TransNet* extension became effective in April 2008. The revenues included in the Regional Plan are based on actual receipts to FY 2014, and they assume an annual increase based on the growth in taxable retail sales as projected by the SANDAG Demographic and Economic Forecasting Model (DEFM).[6] The amount estimated to be available through 2050 is two years beyond the current expiration of 2048; however, there is an assumption that the sales tax program will continue to be collected beyond 2048.

*The goal is to complete these projects early and give people more travel choices as soon as possible.*

To make the program's benefits available more quickly, the SANDAG Board of Directors approved jump-starting several regional transportation projects by implementing the *TransNet* Early Action Program (EAP). The agency has issued bonds under the *TransNet* extension that so far amount to about $1.5 billion. These bonds support the accelerated delivery of major transit and highway projects across the region. The EAP strategy is to borrow against future *TransNet* revenues, in order to leverage additional federal and state funds. The goal is to complete these projects early and give people more travel choices as soon as possible.

The *TransNet* extension includes some added features over the initial program. It supports an innovative $850 million environmental mitigation program to offset biological impacts of future transportation improvements, while at the same time reducing overall costs and accelerating the delivery of projects. The extension also provides for a $280 million smart growth incentive fund. In addition, another $280 million is slated for bike paths and facilities, pedestrian improvements, neighborhood safety projects, and the Regional Bike Plan Early Action Program. These funds are leveraged to access other funding sources.

#### *Developer Impact Fees*

An element of the *TransNet* Ordinance requires the region's 18 cities and the County of San Diego to collect an exaction from the private sector for each new housing unit constructed in their jurisdiction. The Regional Transportation Congestion Improvement Program (RTCIP) has been in effect since July 1, 2008. SANDAG adjusts the minimum fee amount on July 1 of each year, based on analysis of construction cost indices. But it's no less than 2 percent. The purpose of the adjustment is to ensure that RTCIP retains its purchasing power to improve the regional arterial system. At its February 27, 2015, meeting, the SANDAG Board voted to increase the fee to $2,310 beginning July 1, 2015.

#### *Transportation Development Act (TDA) Quarter-Cent Sales Tax*

By state statute, TDA funds may be used for transit operating or capital purposes, but they are not eligible for use on non-transit-related improvements to highways or local streets and roads. Future year estimates are based on the same growth in taxable retail sales as projected by DEFM as is done for *TransNet*.

#### *Local Gas Tax/General Fund*

The local agencies receive direct subsidies from the state in the form of gas tax subventions. These subventions are based on a formula derived from the Assembly Bill x8-9 (Evans, 2010) (ABx8 9) fuel tax swap, which considers future fuel consumption, the federal tax rate, and the swap rate. Due to the continued improvement in fuel efficiency in vehicles, the average growth rate for this program is about 1 percent over the Regional Plan period. General funds are road expenditures the agencies spend from their general fund or other local revenues. The data is derived from the annual State Controller's report, and it's estimated to grow by about 3 percent per year.

#### *Future Local Revenues*

A provision in the *TransNet* Extension Ordinance specified that "SANDAG agrees to act on additional regional funding measures (a ballot measure and/or other secure funding commitments) to meet the long-term requirements for implementing habitat conservation plans in the San Diego region, within the timeframe necessary to allow a ballot measure to be considered by the voters no later than four years after passage of the *TransNet* Extension." A component of the future ballot measure is to fund transit operations. The SANDAG Board has periodically reassessed the timing of a new measure since the passage of *TransNet,* and has amended the particular section of the Ordinance to extend the deadline from 2008 to 2016. Using the existing *TransNet* program as the basis for estimating revenues, the assumption is that a quarter-cent of the sales tax would fund transit projects. These revenues are assumed to begin in 2020. The rate of growth assumed is the same as with *TransNet* and TDA.

*Passenger Fares*

These revenues are what passengers pay to ride on public transportation, and they help support transit operations. The revenues through FY 2019 are based on the short-term budgets as estimated by the two transit agencies – the North County Transit District (NCTD) and the Metropolitan Transit System (MTS). The farebox recovery ratio, assumed at 35 percent, is continued through the life of the Regional Plan.

*Other Local Revenues*

Other locally generated revenues include toll road funding, public/private partnerships, FasTrak revenues, and motorist aid services. Toll road revenues are based on the planned Managed Lanes and would help off-set operational costs and transit services.

*Contributions from Tribal Governments*

Tribal Governments make contributions toward improvements on regional arterials and county roads, and investments in shuttles connecting regional transit to Tribal Lands, and facilities to support carpools and vanpools.

**State Funding**

*State Transportation Improvement Program*

State funding for transportation improvements comes from taxes on gas and diesel fuels, truck weight fees, and other sources. These funds are distributed by the state to the region through the State Transportation Improvement Program (STIP), which is administered by the California Transportation Commission (CTC).

Beginning with the 1998 STIP, a greater share of the STIP was made available to regional agencies such as SANDAG. This gave them the flexibility to better determine how funds should be used. Overall, transportation funding has fluctuated significantly as the economy has gone through ups and downs. For example, the 1998, 2000, and 2002 STIP cycles were built on optimistic funding scenarios, but these were followed by a severely constrained STIP cycle in 2004.

The landmark transportation infrastructure bond, Proposition 1B, injected much needed revenues in the middle of the 2006 STIP cycle. With these revenues came some relief to transportation funding at a time when improvements were badly needed. This infusion was short-lived, however, as the Great Recession beginning in 2007 led to flat and even declining gas tax revenues. Interestingly, gas tax revenues also have fallen with the increased number of vehicles on the road that are more fuel efficient or use alternative sources of energy such as electricity. All these changes have impacted STIP cycles from 2008 through 2014. In short, traditional sources of funding that pay for transportation improvements have not kept pace with the demands of a growing population and an aging transportation system.

California's economy has improved in recent years and the state budget has stabilized, but transportation funding continues to be strained. In its 2014 Annual Report, the CTC urged the Governor and the Legislature to address near-term funding needs to preserve the existing transportation system. The report notes: "For over a decade the Commission has implored the Legislature and the Administration to address this dire situation. No longer do we have the luxury of time; definitive and non-partisan action is required immediately to ensure the economic stability and public safety of the people we serve." There are a number of options being discussed to augment revenue sources for transportation. Each comes with both challenges and opportunities for transportation programs. Some of the options include: mileage-based user fees, toll pricing, an increase to the fuel tax, an increase to vehicle weight fees, an increase to other vehicle-related fees, and opportunities for more public-private partnerships.

*State Highway Operations and Preservation Program (SHOPP)*

The CTC also is responsible for allocating funds to this program, which the state administers. State law requires that these expenditures be given priority over new construction, and they are funded "off the top" of the State Highway Account. Caltrans develops a SHOPP ten-year plan from which projects are prioritized and selected during SHOPP updates.

*Transportation Bond/Infrastructure Program*

Although the Legislature has failed to pass a comprehensive and sustainable transportation funding program, it has recognized the need to provide funding. Historically, the Legislature and voters of the state have passed a number of bond measures to fund transportation such as the Traffic Congestion Relief Program, Propositions 108/116, Proposition 42, and Propositions 1A and 1B. Given this history, the Regional Plan includes a bond measure in the future similar to prior measures for transportation projects. The funding assumption is based on the historical share the region has received from these efforts. To be conservative, revenues begin in FY 2020.

*Future State Revenues for Transportation*

As noted earlier, some of the options for funding transportation include a user based mileage fee. Senate Bill 1077 (DeSaulnier), enacted in 2014, would authorize such a fee. The legislation calls for an advisory committee to study and develop options that can be implemented as a pilot project in 2017. The state of Oregon started its pilot program in July 2015, while the state of Washington is reviewing the potential for a similar program. Other states around the country are studying the potential of a user based mileage fee as a transportation funding source that may replace or supplement the current gas tax.

*High-Speed Rail*

The Governor and the state have committed to building a high-speed rail system. Senate Bill 1029 (Hancock, 2012) appropriated $8 billion in federal and state funds to construct the first segment of the high-speed rail in the Central Valley. Based on the current plan, the system will run from San Francisco to the Los Angeles basin by 2029, and trains will make this trip in less than three hours. The line will be extended north to Sacramento and south to San Diego. There is no specific timeline for the San Diego segment, so the Regional Plan assumes that the San Diego segment may be built toward end of the Regional Plan period.[7]

*Other State Funds*

Other funds administered by the state include the Active Transportation Program for non-motorized projects, the Cap-and-Trade Program as described in Chapter 2, the State Transit Assistance program dedicated toward public transit operations and capital support, and state managed federal programs such as the Highway Bridge Program.

SANDAG is collaborating with other regional agencies, transportation providers, organizations, and associations statewide to develop a set of principles for the next reauthorization of MAP-21.

**Federal Funding**

SANDAG is working toward the completion of federally-funded transportation projects, while also seeking additional discretionary funding for improved transportation infrastructure at the border, major transit projects, and other transportation improvements. The agency continues to work with regional, state, and national partners toward the reauthorization of MAP-21 – the Moving Ahead for Progress in the 21st Century Act. MAP-21, which President Obama signed into law in 2012, is the first long-term highway authorization bill signed into law since 2005.

SANDAG is collaborating with other regional agencies, transportation providers, organizations, and associations statewide to develop a set of principles for the next reauthorization of MAP-21. The effort to build support for these principles continues, so that California can present a clear and unified position as federal legislation is developed. It remains unclear when MAP-21 will be reauthorized.

The Highway Trust Fund, which is the source of most federal funding for the nation's roads and transit infrastructure, has seen revenues fall short of expenditures for more than a decade. Drawing down trust fund balances and transferring money from the general fund have served as temporary fixes, but these measures have not addressed the underlying challenge of declining revenues from the federal fuel excise tax of 18.4 cents per gallon on gasoline and 24.4 cents per gallon on diesel fuel. The Congressional Budget Office projects that without reforms, shortfalls in the Highway Trust Fund will grow to $162 billion over the next ten years. As with the state funds, the Regional Plan assumes several potential options, such as an increase in the federal fuel tax on gasoline.

While these efforts are underway, the Regional Plan assumes continuation of the various funding programs as well as new federal revenue sources based on the discussions and actions by Congress.

#### *Federal Transit Administration (FTA) Programs*

The Regional Plan assumes that the formula programs – Sections 5307, 5337, 5339, 5310, and 5311 – will continue. The majority of these funds are passed through to the two transit agencies while others also are passed through to social services transportation providers. The Regional Plan also includes assumptions of discretionary funding for both large scale projects under the New Starts Program as well as smaller projects under the Small Starts program.

The Regional Plan also includes the use of Grant Anticipation Notes (GAN) backed by the FTA New Starts Program, specifically for the Mid-Coast Trolley project. This project is rated very high in the New Starts Program for FY 2015. Due to the anticipated long duration to fully appropriate all the New Starts funds, SANDAG plans to securitize the FTA funds in order to complete the project.

#### *Federal Highway Administration (FHWA) Programs*

As with the FTA formula programs, the Regional Plan assumes the continuation of the FHWA formula programs, which include the Congestion Mitigation and Air Quality Improvement program and the Regional Surface Transportation Program. Discretionary funds are not included in the early years; however, the Regional Plan assumes these funds would become available after 2020.

#### *Future Federal Revenues for Transportation*

Like California state legislators, federal lawmakers continue to discuss approaches for a long-term, sustainable transportation bill. The federal gas tax has not been increased since 1993 and has not been indexed for inflation. As a result, the Highway Trust Fund has been running on empty. Congress does recognize the crisis and various proposals have been introduced and discussed. In the meantime, the Regional Plan assumes that a potential increase to the federal gas tax, beginning in 2020, will be conservative.

## Addressing Potential Funding Shortfalls

Planning for investments funded with anticipated income can be challenging. Table O.1 in Appendix O: Transportation Financial Background reviews each revenue source, the risks associated with relying on them for projects, and what can be done if anticipated revenues fall short. Although the revenue forecast is based on trends for existing revenue sources as well as reasonable assumptions about potential changes in the future, from time to time there are significant changes that cannot be easily predicted. These include economic downturns and the approval of new funding sources. Fortunately, the plan is reviewed and updated every four years to take into account these changes, and to make the necessary adjustments to the timing and availability of revenues to pay for all the projects in the Regional Plan.

## State Route 125

SANDAG entered into a 40-year franchise agreement with Caltrans in December 2011 to manage and operate the State Route 125 (SR 125) South Bay Expressway Toll Facility. The SR 125 Toll Road is a 10-mile, traditional toll facility that lies on the southernmost portion of SR 125. The program is managed to be financially self-sufficient, with all management, operating, and debt service expenses being paid for from toll revenue generated on the facility. Revenues are generated from tolls, toll related activities, and interest. Table 3.3 displays the projected revenues and costs associated with this facility. Once the debts for the facility are paid off, toll revenues must be used for maintenance, operations, and transit within the corridor.[8]

Table 3.3

### SR 125 South Bay Expressway Toll Facility: Projected Revenues and Costs

| Financial Model (In Millions, 2014 Dollars) | 2011-2020 | 2021-2035 | 2036-2043 | Total |
|---|---|---|---|---|
| Total Revenues | $287.4 | $966.1 | $880.5 | $2,134.0 |
| Operating Expenses | $89.8 | $231.6 | $159.9 | $481.3 |
| Major Maintenance Reserves | $129.7 | $403.5 | $687.8 | $1,221.0 |
| Debt Service | $67.9 | $331.0 | $32.8 | $431.7 |

## Future Needs

What if our region had an unlimited budget? SANDAG considered this too, in order to get a clear-eyed view of what the region is actually expected to need in the years leading up to mid-century. This “Unconstrained Needs Analysis” provided a cost estimate for additional projects, programs, and services that would meet our transportation demands through 2050. This included the costs for operating, maintaining, and rehabilitating the transportation system regionwide. Obviously, this would cost more than our actual investment plan, but it’s worth looking at because it shows the total actual needs for the region (See Table A.5 in Appendix A: Transportation Projects, Costs, and Phasing).[9]

## Looking Ahead

In the next chapter, we'll review the tangible benefits of the Regional Plan, many of which come from the transportation, smart growth, and environmental mitigation investments discussed in Chapter 2. These are benefits for people throughout the region, regardless of where they're from, their economic circumstances, or their background. Our Regional Plan was created to achieve gains across our region, enhancing the quality of life for all of us.

## Endnotes

[1] For more details about each source of funding, see Appendix O: Transportation Financial Background.

[2] *TransNet* Extension Ordinance and Expenditure Plan Commission Ordinance 04-01. Section 16 of the Ordinance "lock-boxes" some projects such as State Route 76 and the Mid-Coast light rail line by providing that these projects cannot be removed from the Expenditure Plan without a vote by the electorate.

[3] A list of projects in our investment plan can be found in Appendix A: Transportation Projects, Costs, and Phasing.

[4] The Active Transportation Program includes the Regional Program, Local Bike Projects, Local Pedestrian/Safety/Traffic Calming, and Safe Routes to School.

[5] Please see Appendix E for a more detailed breakdown of the Transportation Systems Management and Transportation Demand Management expenditures by phase.

[6] Appendix T: SANDAG Travel Demand Model and Forecasting Documentation

[7] High-speed Rail (HSR) is not a proposed Regional Plan project. Its funding and implementation will be determined by the State of California rather than by entities within this region. However, its revenues and expenditures are included in the Regional Plan because the HSR segment between Los Angeles and San Diego, via the Inland Empire, is expected to provide connectivity for the San Diego region with the rest of the state and the HSR project. Therefore, it is an integral part of the planned transportation infrastructure for our region.

[8] Streets and Highways Code section 143.1(b).

[9] A list of these unconstrained projects is shown in Appendix A.