

Appendix I: Funding and Revenues

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Funding and Revenues

Introduction

The purpose of this appendix is to identify and describe the anticipated revenues to fund the 2025 Regional Plan projects, programs and services. 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 enhancing major highways and railways are critical to maintaining the health of San Diego's economy.

The San Diego region continues to rely heavily on local sources of revenues. Approximately 55% of the plan is funded with local revenue streams which can be structured and implemented to advance regional environmental, economic, and equity goals. Local revenue streams also provide the opportunity to compete for outside state and federal competitive funding that requires a local contribution or match. The revenue sources are broken down by local, state, federal, and others.

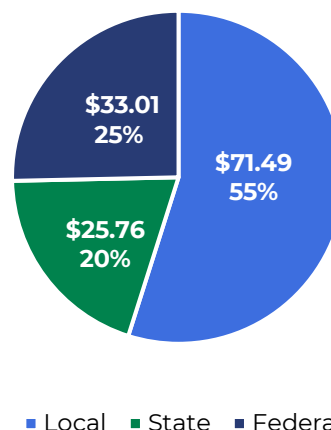
Nationally, we continue to face an insolvency crisis with the Federal Highway Trust Fund, which is funded by excise taxes on fuel. The federal gas tax remains unchanged since 1993, and fuel tax receipts have declined precipitously as fuel efficiency has increased. In 2021, on a broad bipartisan basis, the U.S. Congress passed the Infrastructure Investment and Jobs Act (IIJA), which provides a substantial influx of new federal funding through new and existing programs. However, the IIJA expires in FY 2025-2026 and has been described as a "once in a generation" investment in our nation's transportation system. California's passage of the Road Repair and Accountability Act of 2017 (Senate Bill [SB] 1) provides a significant influx of new state revenue through a gas tax increase and other transportation fees, yet only a fraction of our needs is funded through state sources.

In accordance with federal fiscal constraint requirements (23 U.S.C. § 134(i)(2)(E)), this appendix identifies how much money SANDAG expects will be reasonably available to support our region’s surface transportation investments over the 2025 Regional Plan planning horizon. The financial plan includes both a “traditional” core revenue forecast comprising existing local, state, and federal sources, and a separate forecast of more innovative, but reasonably available, sources of revenue to implement a program of improvements to keep freight and people moving. The SANDAG region has secured the necessary resources to support transportation investments detailed in past regional transportation plans, and the current financial plan will continue to meet the necessary milestones to implement the 2025 Regional Plan. The following sections describe the financial assumptions and methodologies used for forecasting revenues and expenditures for transportation investments.

The total revenue identified from potential revenue sources in this appendix exceeds the total cost estimates presented in [Appendix H: Cost Estimation Methodology](#). The revenue sources described in this document reflect best estimates of what may reasonably be collected from various sources. Some of the sources require local, state, or federal legislation to pass before going into effect; others require voter approval.

SANDAG is committed to seeking new local funding in addition to pursuing state and federal funding opportunities. Where new funding sources are assumed, the starting dates of those sources are shown as the “base year.” For existing revenue sources that are assumed to continue, those “base year” assumptions are 2024.

Figure I.1: 2025 Regional Plan funding sources (in billions of 2024 dollars)



Source: SANDAG Financial Model 2024

Local: Sales tax, impact fees, fuel tax, tolls, passenger fares, fees, general funds, ridehailing service fees and naming rights

State: Fuel tax, cap and trade, fees, highway trust fund and housing revenue

Federal: Fuel tax and financing

Anticipated Revenues

All revenues shown below in the fund source descriptions are displayed in constant, 2024 dollars. In addition, revenues have also been escalated to nominal (i.e., year-of-expenditure [YOE]) dollars based on escalation factors appropriate for the specific revenue source. Table I.5 and Table I.6 provided at the end of this appendix reflect the assumptions in both escalated YOE dollars and 2024 dollars respectively.

The region's revenue forecast timeframe for the 2025 Regional Plan spans FY 2024-2025 through FY 2049-2050. Consistent with federal guidelines, the financial plan considers inflation, and reports figures in nominal dollars. The financial model also uses information from Caltrans and the California Transportation Commission, as well as other local, state, and federal agencies, as applicable. The regional forecasts incorporate county forecasts, where available. When there are gaps in the financial projections in the outer years between the county forecasts and the 2025 Regional Plan time horizon, growth assumptions are extrapolated from historical trends based on published data.

A Peer Review Process (PRP) for the draft 2025 Regional Plan was held on September 7, 2023, to review and resolve, discuss, and gain consensus on revenue assumptions, appropriate base year data sources, and estimated growth rates. The PRP included internal and external stakeholders and subject matter experts.

Each revenue stream has its own unique funding requirements and eligibility. Table I.1 presents local, state, federal and new funding sources, respectively and their assumed eligibility.

Table I.1: Transportation Fund Sources

Fund Source	Transit Capital	Transit Ops	Highway Capital	Highway Ops	Local S&R	Programs	Debt Service
TransNet	✓	✓	✓		✓	✓	✓
TransNet (Bond Proceeds)	✓		✓			✓	
TDA	✓	✓				✓	
Developer Impact Fees					✓		
City/County Local Gas Taxes					✓	✓	
General Fund/Miscellaneous Local Road Funds	✓		✓		✓	✓	
Toll Road Funding (SR 125)			✓	✓			
Public Private Partnerships/ Transit (TOD)	✓	✓	✓				
FasTrak® Revenues			✓	✓			
Passenger Fares		✓					
Motorist Aid Services – Toll Box Program						✓	
STIP	✓		✓			✓	
State Transit Assistance Program	✓	✓					
SHOPP, and Maintenance and Operations Program			✓	✓			
Cap-and-Trade	✓	✓				✓	

Fund Source	Transit Capital	Transit Ops	Highway Capital	Highway Ops	Local S&R	Programs	Debt Service
State INFRA	✓		✓		✓		
State Managed Federal Programs			✓		✓	✓	
Motorist Aid Services – Freeway Service Patrol						✓	
SB1 - Congestion	✓		✓				
SB1 - Freight	✓		✓		✓		
SB1 - Active					✓	✓	
SB1 - Local Partnership	✓		✓		✓		
SB1 - State of Good Repair	✓						
FTA - Discretionary	✓						✓
FTA - Formula	✓	✓					
CMAQ Improvement/Regional Surface Transportation Programs	✓		✓			✓	
FHWA Discretionary	✓		✓				
Other Financing (Grant Anticipation Note Proceeds)	✓						
Federal Rail Administration	✓						
Future Local Revenues for Transportation	✓	✓	✓		✓	✓	✓
Future MTS Local Revenues for Transportation	✓	✓					
Ridehailing Company Service Fees	✓						
APCD Fees	✓	✓					
Value Capture-Joint Development	✓	✓					
DMV Registration Sticker Elimination						✓	
Last Mile Delivery					✓	✓	
Advertising/Naming Rights/Sponsorship		✓					
Anticipated/Undetermined	✓	✓	✓			✓	
Land Use and Housing Revenue						✓	
Parking Fees					✓	✓	

The financial plan for the 2025 Regional Plan includes two types of revenue forecasts. Both are included in the financially constrained plan:

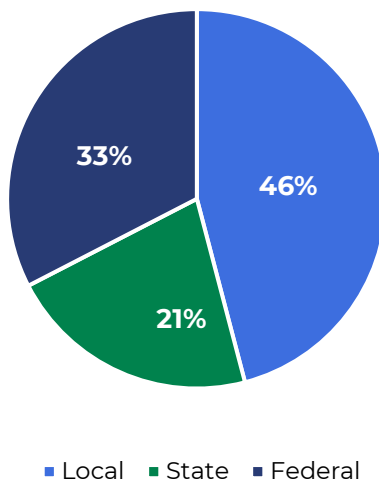
1. Core revenues
2. Reasonably anticipated new revenues

The core revenues identified are existing transportation funding sources projected out to FY 2049-2050. The core revenue forecast does not include assumptions about any future increases in state or federal gas excise tax rates (other than those described above related to SB 1) or adoptions of regional gasoline taxes, and/or new tax measures. These core revenues provide a benchmark from which additional funding can be identified.

Federal guidelines permit the inclusion of new revenues that are reasonably likely to materialize within the 2025 Regional Plan timeframe. Further, the financial plan includes strategies for ensuring the availability of these sources.

Core Available Revenues

Figure I.2: Core Revenues in 2024 dollars



Source: SANDAG Financial Model 2024

Table I.2: Core Revenues (in billions of 2024 dollars)

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Local Funding		
TransNet	<p>Description: A half-cent sales tax that provides funding for transportation purposes in the San Diego region. It was approved by voters in 2004.</p> <p>Assumptions: Short-Term Growth Rate - Through FY 2030 the growth rate is informed by:</p> <ul style="list-style-type: none"> • California Department of Tax and Fee Administration's sales tax revenue allocation • Year-to-date sales tax collections • Current and forecasted general economic conditions. The growth rate for FY 2026 is 0.3%, while FY 2027 is 1.3% with FY 2028 at 2.9% <p>Long-Term Growth Rate - Longer-term estimates beyond FY 2030 sales tax revenue forecasts are based on three variables:</p> <ol style="list-style-type: none"> 1. The population forecast from the California Department of Finance (DOF) 2. A consensus (simple average) of three independent nationally recognized forecasts of real rates of growth in per-capita retail sales (prepared by IHS Markit, Moody's Analytics, and Oxford Economic Forecasting) 3. The average projected Consumer Price Index (CPI, or inflation rates) from the same independent sources. The real per-capita growth rate is considered the most reliable predictor of how retail sales—and ultimately, TransNet and Transportation Development Act (TDA) revenues—are likely to behave, given each forecasting source's substantial differences in assumptions about population, CPI, and even current levels of taxable sales 	\$10.45
Transportation Development Act (TDA)	<p>Description: A statewide one-quarter-percent sales tax for transportation purposes. This funding is based on the growth of sales taxes.</p> <p>Assumptions: Future growth rates come from the sales tax forecast prepared by SANDAG Economics in December 2024 and used as the basis for TransNet revenues.</p>	\$5.07

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Developer Impact Fees	<p>Description: A fee collected from the private sector for each new housing unit constructed in their city or in unincorporated parts of the county. This is required by the Regional Transportation Congestion Improvement Program (RTCIP) and part of the TransNet Ordinance.</p> <p>Assumptions: Historical Construction Cost Index, 2% per year (based on TransNet Ordinance) Fee growth rate stays at a minimum constant at 2% throughout the estimate and is dependent on housing growth. However, annual revenue does begin to decrease in the estimate in the mid 2030's due to the slower growth rate in housing as determined in the DOF population estimate, which is consistent with the SANDAG Series 15 Regional Growth Forecast for housing. The purpose of this annual adjustment is to ensure that the RTCIP retains its purchasing power to improve the regional arterial system. All local jurisdictions are required to comply.</p>	\$0.49
City/County Local Gas Taxes	<p>Description: Funding from the state gas tax used for transportation-related purposes. Funds are forecasted to come from: (1) The Highway Users Tax which is for local streets and road purposes in cities and the county; and (2) the Road Maintenance and Repair Act Local Streets and Roads Program.</p> <p>Assumptions: Receipts through FY 2026 are assumed to grow at 2.3% through FY 2028 and 2.4% per year thereafter. Although fuel consumption is anticipated to plateau and decline over time, the assumption for this source of local funds is agnostic regarding the steps the state will implement to ensure that local jurisdictions continue to receive these funds at moderately increasing levels.</p>	\$4.05
General Fund/ Miscellaneous Local Road Funds	<p>Description: Funding dedicated for local streets and road maintenance and improvements. These include fines and forfeitures, interest earnings, and other miscellaneous revenue sources. These are predicted to stay consistent based on information provided in the State Controller's annual reports.</p> <p>Assumptions: The 2021 base data is calculated from historical annual local street and road revenues collection for the 18 cities and county as reported from the State Controller's audited report through 2021. A ten-year average increase is then calculated and assumed through 2021. A five-year average is then calculated to analyze more recent trends. The ten-year average is 6.6% and the five-year average is 2.7%. A 3% growth rate was assumed through 2050 to remain fiscally conservative as growth has been uneven due to the pandemic.</p>	\$10.40

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Toll Road (SR 125)	<p>Description: This funding is derived from toll revenues, and it is expected to be available for SR 125 operations and related projects, as well as future revenue derived from debt financing backed by future toll revenues and expected to be available to cover costs to construct and operate toll roads.</p> <p>Assumptions: Estimates were based on SANDAG's internal forecast. SANDAG is studying the removal of tolling from SR 125. Therefore, it is assumed that the toll road will stop collecting tolls by FY 2043 to provide a conservative estimate of reasonably available revenue from this source.</p>	\$0.76
FasTrak® Revenues/ Managed Lanes	<p>Description: Estimated future funding from tolling based on the planned expansion of the Managed Lanes network through 2050. Forecasted funds are based on the Managed Lanes Feasibility Tool, a modeling tool used to forecast Managed Lane performance and revenues; this has been used by agencies around the country to inform Managed Lane projects.</p> <p>Assumptions: The model analyzes existing traffic and proposed lane configuration for the San Diego facilities that are included in the Managed Lane network to assign traffic volumes. It assumes a baseline volume must be reached before drivers will be willing to pay for the Managed Lanes. Usage of the Managed Lanes is predicted based on the overall level of demand above the baseline volume, available capacity in the Managed Lane, and remaining capacity in the general-purpose lanes. It includes assumptions around high-occupancy vehicle (HOV) and clean air vehicle policies and discounts, traffic levels, growth rates, cost assumptions, and lane capacity. Estimated future revenue is based on the planned operation of the regional managed lanes network.</p>	\$6.63
Passenger Fares	<p>Description: Funding from the fares that riders of local public transit pay. These are based on data provided by our two transit operators: North County Transit District (NCTD) and Metropolitan Transit System (MTS). From 2023 forward, passenger fare revenues are based on how many people are projected to ride each route and how much the average ticket costs for each type of rider.</p> <p>Assumptions: Fare revenue is based on model output ridership by route combined with average passenger fares by type of transit mode (bus, trolley, regional rail, etc.). Passenger fares do not include fare subsidies; those are included as costs in Appendix H.</p>	\$6.36

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Motorist Aid Services – Call Box Program	<p>Description: California Assembly Bill 1572 (Fletcher, 2012) dissolved the San Diego Service Authority for Freeway Emergencies and transferred its responsibilities to SANDAG effective January 1, 2013. This provides funding for various services such as responding to inquiries from the call boxes located at various intervals along freeways and rural highways.</p> <p>Assumptions: SANDAG operates the call box system, coordinating with the Freeway Service Patrol. The funding comes from a \$1 annual fee on vehicle registrations collected by the California Department of Motor Vehicles (DMV). Estimates include DMV fee revenues with a flat growth rate through 2050.</p>	\$0.06
State Funding		
State Transportation Improvement Program	<p>Description: Funds distributed to each county for developing a statewide program of transportation projects. These are set aside for planning related to state highway improvements, intercity rail, and regional highway and transit improvements. Our county can expect to receive at least minimum portions of these, including both Regional and Interregional shares of revenue.</p> <p>Assumptions: The San Diego region anticipates receiving at least a minimum formula “County Share” (estimated at approximately 7.2% of available RIP shares or about 5.7% of total statewide shares) and a proportionate share of the STIP Interregional Improvement Program (IIP) funds (estimated at 25% of the regional share) over time as well. The total STIP funds assumed include revenue from both the Regional and Interregional STIP shares. STIP funds are flexible, and they are available for capital projects to increase the capacity of highways, public transit, and local roads. For STIP, from 2025 to 2029, revenues are based on the fund estimate from the 2024 STIP. The long-term growth rate assumes 3% annual growth.</p>	\$0.75
State Transit Assistance Program	<p>Description: Funds from diesel sales taxes that can be used for transit agencies’ operating costs and capital projects distributed by the State Controller.</p> <p>Assumptions: The annual revenues are increased at 3% per year through FY 2050. This reflects historical trends and a gradual increase in these costs as the size and the age of the transit system to be maintained increases over time. The revenues needed for these purposes, as identified by State Controller’s Office, are assumed to be available.</p>	\$1.46

Revenue Sources	Description and Major Assumptions	Revenue Estimate
State Highway Account for Operations/Maintenance	<p>Description: Revenues for state highway operations and maintenance, including projects to reduce collisions and programs to rehabilitate highways. These expenditures are required by state law to be given priority over new construction and are funded before new construction projects.</p> <p>Assumptions: The revenues needed for these purposes, as identified by Caltrans, are assumed to be available. For programs to reduce collisions on state highways, as well as other programs related to rehabilitating and operating highways, funds are assumed to be available, consistent with the financially constrained ten-year State Highway Operation and Protection Program (SHOPP) and grow at 3% per year. The SHOPP is funded by state and federal sources, including SB 1.</p>	\$7.58
Cap-and-Trade	<p>Description: Funding from the state's portion of the Cap-and-Trade Auction Revenues (fees that the industry pays to offset their pollution impact when they pollute over the legal limit) for work that reduces greenhouse gas emissions. Some of these funds are guaranteed, others are competitive.</p> <p>Assumptions: The 2024 base of \$58.1 million annually in cap-and-trade funding is assumed to be flat throughout the estimate reflecting historical trends, and the estimated amounts included in the 2025 Regional Plan are based on an annualized average based on the region's prior success in capturing the discretionary funds.</p>	\$1.16
State INFRA	<p>Description: Grants for freight and highway projects of national or regional significance that aim to move goods and people more safely, efficiently, and reliably in and across rural and urban areas. (This grant program has replaced FASTLANE and other federal discretionary programs)</p> <p>Assumptions: The 5% Border set-aside from the Surface Transportation Block Grant (STBG) program is not explicit in IIJA, although California has elected to continue to provide Border funds. The amount has been flat for five years. The assumption is that this program grows at 3% per year.</p>	\$0.43
State Managed Federal Programs	<p>Description: Revenues from the Highway Bridge Program, Hazard Elimination Program, and Highway Safety Improvement Program. Additional discretionary funds will also be leveraged through the Highway Infrastructure Program.</p> <p>Assumptions: Current Bridge program listing includes FY 2022 and FY 2023 Bridge Investment Program appropriations. FY 2024-2026 are assumed at 7.2% BIP Local portion. CPS CDS funding is assumed as average of first two years of the program and increasing by 3% per year.</p>	\$1.52

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Motorist Aid Services – Freeway Service Patrol (FSP) Program	<p>Description: Funding to provide assistance to freeway-users whose vehicles break down or in case of other collisions; these aim to reduce traffic and secondary collisions and address safety issues by removing potentially dangerous debris on state highways.</p> <p>Assumptions: The funding comes from a \$1 annual fee on vehicle registrations collected by the DMV. Estimates include DMV fee revenues with a flat growth rate through 2050.</p>	\$0.08
Future State Revenues for Transportation	<p>Description: Funding to replace current state gas tax for continuation of transportation improvements.</p> <p>Assumptions: As gas tax revenues continue to decrease due to more fuel efficient and electric vehicles, SANDAG assumes potential new revenue source or legislation that will continue funding for transportation projects.</p>	\$5.70
SB1 Road Maintenance and Rehabilitation Account*	<p>Description: Funded by diesel and gas taxes, a transportation improvement fee, and an electric vehicle fee; distributed to cities and counties for basic road maintenance, rehabilitation, and critical safety projects.</p> <p><i>*RMRA also provides SHOPP and Local Streets and Roads funding: those funds are included in their specific revenue estimates below, respectively.</i></p> <p>Assumptions:</p> <ol style="list-style-type: none"> 1. Solutions for Congested Corridors - This program gets \$250 million per year; San Diego has received on average 15% over three cycles, or about \$37.29 million per year - annual amount remains flat under SB 1. Estimate includes a 10% step increase every six years. 2. Trade Corridor Enhancement Program - Statewide \$514 million - San Diego receives 9.4% of 60% in programming targets from the guidelines. Average of \$36.13 million over past three cycles. Since 2019, the TCEP fund estimate has grown at an average rate of 4.5% per year. Expect 10% step increases every six years. 3. Active Transportation Program - State portion is distributed evenly over the four-year funding period. Step increase of 10% is assumed every four years. Federal portion (approximately 25% of total) increases by STBG annual amount which averages 2%, so has a 0.5% impact on fund estimate. 4. Local Partnership Program - \$180 million statewide per year distributed 60% Formula, 40% Competitive. San Diego receives approximately 9% of formula program. The region gets approximately 3% of Competitive program, averaging about \$2.437 million per year - Annual amount remains flat under SB1. Estimate includes 10% step increase every six years. 5. State of Good Repair - Used SCO estimates for FY 2019 - FY 2024. Applied flat 3% growth rate for future years. 6. State Rail Assistance Program - 2.7% increase every three years after FY 2028. 	\$3.11

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Federal Revenues		
Federal Transit Administration Discretionary	<p>Description: Revenues awarded for the for future major transit projects identified in the 2025 Regional Plan. Based on historical success securing funding for past projects such as the Mid-Coast Trolley Extension, Mission Valley East Trolley, SPRINTER, and Mid-City Rapid.</p> <p>Assumptions: Consistent with historical experience, the 2025 Plan assumes one New Starts grant for a project with completion in the 2035 period, and another New Starts grant for a project with completion by 2050. In addition, the plan assumes one Small Starts award every five years, beginning with a project completed by 2030.</p>	\$10.85
Federal Transit Administration Formula Programs	<p>Description: Annual funding allotted to our region based on population, population density, and transit revenue miles of service, among other factors. The San Diego region receives funding from the different sections of this program:</p> <ol style="list-style-type: none"> 1. Section 5307 - Funds transit capital projects, planning, job access, reverse commute projects and operations costs under certain circumstances. 2. Section 5310 - Funds projects providing enhanced mobility to seniors and persons with disabilities. 3. Section 5311 - Provides capital, planning, and operating assistance to states to support public transportation in rural areas with populations less than 50,000. 4. Section 5337 - Provides funds for repairing and upgrading rail transit systems, high-intensity bus systems that use HOV lanes—including bus rapid transit. 5. Section 5339 - Provides capital funding to replace, rehabilitate and purchase buses and related equipment and construct bus-related facilities. <p>Assumptions: Projected increases of this funding were calculated using the annual program increases established by the IIJA, which are consistent with historical experience.</p>	\$4.89
Low - No Emission Bus and Bus Facilities Programs	<p>Description: Grant funding assumed to continue to be made available for buying or leasing zero and low-emission transit buses as well as acquiring, constructing, and leasing of facilities and equipment to support these vehicles.</p> <p>Assumptions: The 2025 Regionalf Plan assumes a \$30 million grant being awarded to either MTS or NCTD every other year.</p>	\$0.41
CMAQ/Regional Surface Transportation Block Grant Program	<p>Description: Flexible funds which can be used for a wide range of projects and programs that help reduce traffic and air pollution. Total funds anticipated are based on estimates provided by Caltrans.</p> <p>Assumptions: Short-term estimates are based on Caltrans' posted apportionments. Long-term revenues assumes a 3 % annual growth.</p>	\$2.85

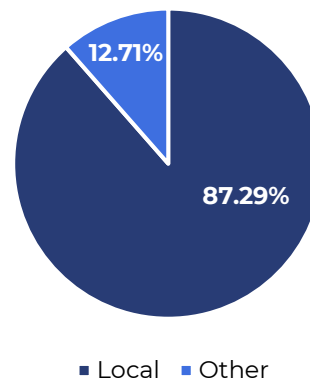
Revenue Sources	Description and Major Assumptions	Revenue Estimate
U.S. DOT Discretionary Funding	<p>Description: Funding for highway and bridge projects of regional and national significance. Estimates are based on the historical track record for the region. We have successfully secured these funds for previous projects such as highways SR 905 and SR 11.</p> <p>Assumptions: For the 2025 Regional Plan, SANDAG has prepared an estimate of FHWA discretionary funding based on the historical track record for the region, which has been successful in securing funds for previous projects such as SR 905 and SR 11. The 2024 base of \$29.546 million is based on historical project funding award trends, SANDAG assumes being granted 0.951% of total award available. Assumes a 40% federal share for Purple Line project, supplementing a Capital Investment Grant award of the same size.</p>	\$6.27
Federal Rail Administration Funds	<p>Description: Funds for intercity and/or intercity passenger rail. This includes funding for constructing rail projects on the national passenger rail network (which includes the LOSSAN Corridor); grants for projects that improve safety, efficiency and reliability of existing intercity passenger and freight rail; and grants for eliminating dangerous railroad crossings.</p> <p>Assumptions: It is assumed that these programs are authorized in the future. An initial award of about \$15 million is assumed from the Consolidated Rail Infrastructure and Safety Improvements program. In addition, 80% federal share support through the Federal-State Partnership program is assumed for the Del Mar Tunnel project through 2035, with fair share collections assumed post 2035.</p>	\$3.68
Future Federal Revenues for Transportation	<p>Description: Funding to replace current federal excise gas tax for continuation of transportation improvements.</p> <p>Assumptions: As gas tax revenues continue to decrease due to more fuel efficient and electric vehicles, SANDAG assumes potential new revenue source or legislation that will continue funding for transportation projects.</p>	\$4.04

Reasonably Anticipated New Revenues

Reasonably anticipated revenues for a regional transportation plan refer to the projected income sources that a region can realistically expect to receive over the planning period, typically including funds from existing taxes like sales tax, fuel taxes, federal grants, and potential future revenue sources that are likely to be approved, allowing them to fund the transportation projects outlined in the plan. It's harder to predict how much money we'll get from new funding sources than from existing ones. These new sources could be things like new taxes, fees, or advertising and naming rights. Figuring out how much money these new sources will bring in is tricky because it depends on both what people think is fair and how calculations are determined.

Since most new funding sources will need new laws, we should think of the expected amounts as a general plan, not an exact prediction of what will happen. There are higher risks associated with this type of funding and Table I.4 provides information on identified risks and mitigation. Figure I.3 illustrates most of this new funding will be locally based, whereas the remaining would come through the state. We are not anticipating any new federal funding for the 2025 Regional Plan.

Figure I.3: Reasonably Anticipated New Revenues



Source: SANDAG Financial Model 2024

Table I.3: Reasonably Anticipated New Revenues (in billions of 2024 dollars)

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Future Local Revenues	<p>Description: A future three-quarter cent measure pending voter approval in the 2038 election.</p> <p>Assumptions: Revenue assumptions and growth rates align with TransNet revenues as stated above.</p>	\$8.83
Future MTS Local Revenues	<p>Description: State law authorizes MTS and NCTD to propose a sales tax within their respective service areas. Funding generated from this would be for public transit purposes. MTS is currently exploring placing a proposed tax in an upcoming election.</p> <p>Assumptions: The 2025 Regional Plan assumes a one-half cent tax starting in 2029. MTS assumes revenues based on their service area with an annual growth rate of 2-3% annually.</p>	\$9.21
Last Mile Delivery Fee	<p>Description: Revenues from a fee placed on deliveries modeled after those in other states including Colorado and Minnesota. The fee is assumed to be in place by 2028 and will aim to encourage vendors and customers to bundle orders and reduce delivery trips.</p> <p>Assumptions: SANDAG assumed a fee of \$0.50 per order (in 2024 dollars) starting in 2028 and increasing annually with inflation, and revenue estimates are based on the number of deliveries per capita from regional surveys. Fees are expected to increase with inflation rate.</p>	\$2.31
Parking Fees	<p>Description: Funding from parking meters that would be available to fund projects, such as micro-transit and shuttle service near parking district areas.</p> <p>Assumptions: Revenue estimates are based on assumed starting rates of \$1-3 per hour, depending on location, starting in 2028 and increasing annually. Fees are assumed to grow an average of 2-5% annually based on projected inflation rates.</p>	\$2.75
State Housing Revenue	<p>Description: The state provided funding to regions across the state through the Regional Early Action Planning grants to support reducing vehicle miles traveled.</p> <p>Assumptions: SANDAG's average REAP allocations between 2020 and 2026 are assumed to continue through 2050, increasing 3% annually.</p>	\$0.20

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Advertising/Naming Rights/Sponsorship	<p>Description: Potential revenue from selling the right-to-name transportation assets to the private sector. These can be used to supplement operating and maintenance expenses or transportation projects. For example, MTS negotiated a naming rights deal with UC San Diego for the Mid Coast Light Rail Extension.</p> <p>Assumptions: It is assumed that continuing to sell advertising and naming rights for new projects like the San Ysidro Mobility Hub and Purple Line will generate additional revenue for the region. Revenue is expected to grow annually at projected inflation rate.</p>	\$0.42
Air Pollution Control District (APCD) Fees	<p>Description: Funding from vehicle registration fees to fund regional projects and studies that reduce air pollution in San Diego County.</p> <p>Assumptions: Revenue estimates are based on an increase of \$2 for the APCD fees in San Diego County beginning in 2028.</p>	\$0.10
Ridehail Company Service Fees	<p>Description: Revenues from service fees charged to ride-hailing companies per trip. Studies find that companies such as Uber and Lyft contribute to traffic, pollution, and vehicle miles traveled. Other regions have worked to address this by applying ridehail service fees to mitigate their impacts, encourage carpooling, and generate revenue for transportation.</p> <p>Assumptions: Assumes a fee of \$1.31 for non-pooled trips and \$0.66 for pooled trips starting in FY 2030 and growing per projected inflation rates.</p>	\$2.72
Value Capture/Joint Use Agreement	<p>Description: Funding estimated to be gathered through joint building development opportunities on publicly owned land at transit stations. This development is feasible at many existing and future transit stations. Estimated revenues are calculated based on SANDAG's Regional Value Capture Study.</p> <p>Assumptions: Revenue estimates are based on a case study of potential mixed-use development at the Tecolote Road trolley station completed through SANDAG's 2023 Regional Value Capture Study. Land sales anticipated only in years corresponding to current advertisements and opening of future rail stations, but land value assumed to increase 3% annually.</p>	\$0.90
Department of Motor Vehicle Registration Sticker Elimination	<p>Description: DMV Registration Sticker Elimination Act 89, which became law in November 2013, provided for the elimination of vehicle registration stickers in Pennsylvania. Owners of vehicles were still required to register their vehicles, but the elimination of stickers saved the state an estimated \$3.1 million in costs in 2017.</p> <p>Assumptions: SANDAG assumes that a similar program will provide cost savings in California starting in 2028 and reflects the cost savings as a revenue source in the plan. Revenue is calculated based on the escalated cost savings per vehicle observed in Pennsylvania and multiplied by the number of vehicles registered in San Diego County in 2023.</p>	\$0.05

Revenue Sources	Description and Major Assumptions	Revenue Estimate
Anticipated/ Undetermined Revenues	<p>Description: Over time, the state and federal governments have approved one-time infusions of money for transportation. While it is not possible to estimate when or how large these infusions may be, an analysis since 2006 shows that several instances were approved, including Proposition 1B, Proposition 1A, the American Recovery and Reinvestment Act (ARRA) and others, to address perceived shortfalls in funding or to provide economic support or stimulus during challenging financial times</p> <p>Assumptions: This assumption takes the average annual regional income from these sources and assumes that instances in the future will continue to occur. In order to be conservative in the short-term, this assumption begins in 2028.</p>	\$3.72

Table I.4: Revenue Sources: Availability Assumptions and Risk Assessment

Revenue Source	New or Existing	Availability Assumption	Potential Risk	Risk Mitigation
Future Local Revenues	Existing/ Future	Current sales tax expires in 2048, assume a new three-quarter cent tax measure starting in FY 2038	The ballot measure fails	Current tax measure funds continue based on past experience or projects would be delayed
Future MTS Local Revenues	New	Voters approve new sales tax measures for development and construction of regional transportation system priorities	Boards may choose to delay the vote; voters may reject the proposition	Alternative funding sources or delay projects/reduce transit services
Last Mile Delivery Fee	New	State establishes mechanism for regional implementation of delivery fees	State fails to enact	Alternative funding sources substituted
Parking Fees	Existing/ Future	Local jurisdictions establish paid parking districts and use funding for local transportation services	Local jurisdictions fail to establish paid parking districts	Transportation services and improvements (microtransit, streetscape enhancements) reduced
State Housing Revenue	Existing/ Future	Additional State legislation will be passed to continue allocating State funding to regional housing programs	State does not pass legislation	If funding is not secured, the housing program will be reduced in scale
Advertising/ Naming Rights/Sponsorship	Existing/ Future	Transit operators sell naming rights to new transit lines and continue to sell advertising space, based on historical trends	Transit operators do not continue to secure advertising and naming rights deals	Alternative funding sources or delay projects
Air Pollution Control District Fees	New	Increasing the fee would require a resolution adopted by a majority vote of the APCD Board	APCD Board does not vote on or adopt a resolution; Revenues are used for other (non-transportation related purposes)	Alternative funding sources or delay projects
Ridehail Company Service Fees	New	State establishes mechanism for regional implementation of service fees	State fails to enact	Alternative funding sources or delay projects
Value Capture/ Joint Use Agreement	New	Agreements with the private sector to extract value from underutilized assets, including transit-	Partnerships do not materialize	Alternative funding sources substituted

Revenue Source	New or Existing	Availability Assumption	Potential Risk	Risk Mitigation
		oriented development, broadband, and freight services		
Federal Funds Discretionary	Existing/Future	Reasonably available based on recent past and current allocations for the region	Lack of authorization or award	Alternative funding sources or delay projects

Table I.5: Major Revenue Sources (in billions YOE dollars)

Revenue Sources	FY 2025 - 2035	FY 2036 - 2050	Total
Local Funding			
TransNet	\$5.36	\$8.92	\$14.28
Transportation Development Act (TDA)	\$2.47	\$4.60	\$7.07
Developer Impact Fees	\$0.36	\$0.27	\$0.63
City/County Local Gas Taxes	\$1.83	\$3.90	\$5.73
General Fund/Miscellaneous Local Road Funds	\$4.86	\$9.76	\$14.62
Toll Road (State Route 125)	\$0.60	\$0.32	\$0.92
FasTrak® Revenues/Managed Lanes	\$1.15	\$9.06	\$10.21
Passenger Fares	\$2.05	\$7.10	\$9.15
Motorist Aid Services – Call Box Program	\$0.03	\$0.04	\$0.07
State Funding			
State Transportation Improvement Program	\$0.37	\$0.67	\$1.04
State Transit Assistance Program	\$0.68	\$1.37	\$2.05
State Highway Account for Operations/Maintenance	\$3.47	\$7.23	\$10.70
Cap-and-Trade	\$0.64	\$0.94	\$1.58
State INFRA	\$0.21	\$0.39	\$0.60
State Managed Federal Programs	\$0.71	\$1.43	\$2.14
Motorist Aid Services –FSP Program	\$0.05	\$0.07	\$0.12
SBI Road Maintenance and Rehabilitation Account	\$1.47	\$2.88	\$4.35
Federal Revenues			
FTA Discretionary	\$1.23	\$15.11	\$16.34
FTA Formula Programs	\$2.28	\$4.59	\$6.87
Low - No Emission Bus and Bus Facilities Programs	\$0.21	\$0.36	\$0.57
CMAQ/Regional Surface Transportation Block Grant Program	\$1.29	\$2.75	\$4.04
U.S. DOT Discretionary Funding	\$1.18	\$11.94	\$13.12
Federal Rail Administration Funds	\$6.05	\$1.42	\$7.47
New Revenues			
Future Local Revenues for Transportation	\$0.00	\$14.19	\$14.19
Future MTS Local Revenues	\$2.48	\$8.13	\$10.61
TNC Fees (Ridehailing)	\$0.92	\$3.09	\$4.01
Air Pollution Control District Fees	\$0.05	\$0.09	\$0.14
Value Capture-Joint Development	\$0.88	\$0.19	\$1.07
DMV Registration Sticker Elimination	\$0.02	\$0.05	\$0.07
Last Mile Delivery	\$0.95	\$2.37	\$3.32
Advertising/Naming Rights/Sponsorship	\$0.17	\$0.43	\$0.60
Anticipated/Undetermined	\$1.29	\$4.19	\$5.48
Land Use and Housing Revenue	\$0.09	\$0.19	\$0.28
Parking Fees	\$0.83	\$3.27	\$4.10
Future State Revenues	\$1.31	\$7.37	\$8.68
Future Federal Revenues	\$1.19	\$4.87	\$6.06
Total	\$48.73	\$143.55	\$192.28

Table I.6: Major Revenue Sources (in billions 2024 dollars)

Revenue Sources	FY 2025 - 2035	FY 2036 - 2050	Total
Local Funding			
TransNet	\$4.62	\$5.83	\$10.45
Transportation Development Act (TDA)	\$2.14	\$2.93	\$5.07
Developer Impact Fees	\$0.31	\$0.18	\$0.49
City/County Local Gas Taxes	\$1.58	\$2.48	\$4.06
General Fund/Miscellaneous Local Road Funds	\$4.19	\$6.21	\$10.40
Toll Road (State Route 125)	\$0.53	\$0.22	\$0.75
FasTrak® Revenues/Managed Lanes	\$0.95	\$5.68	\$6.63
Passenger Fares	\$1.78	\$4.58	\$6.36
Motorist Aid Services – Call Box Program	\$0.03	\$0.03	\$0.06
State Funding			
State Transportation Improvement Program	\$0.32	\$0.43	\$0.75
State Transit Assistance Program	\$0.59	\$0.87	\$1.46
State Highway Account for Operations/Maintenance	\$2.98	\$4.60	\$7.58
Cap-and-Trade	\$0.55	\$0.60	\$1.15
State INFRA	\$0.18	\$0.25	\$0.43
State Managed Federal Programs	\$0.61	\$0.91	\$1.52
Motorist Aid Services –FSP Program	\$0.04	\$0.04	\$0.08
SBI Road Maintenance and Rehabilitation Account	\$1.28	\$1.83	\$3.11
Federal Revenues			
FTA Discretionary	\$3.29	\$7.56	\$10.85
FTA Formula Programs	\$1.97	\$2.92	\$4.89
Low - No Emission Bus and Bus Facilities Programs	\$0.18	\$0.23	\$0.41
CMAQ/Regional Surface Transportation Block Grant Program	\$1.11	\$1.74	\$2.85
U.S. DOT Discretionary Funding	\$0.90	\$5.37	\$6.27
Federal Rail Administration Funds	\$2.78	\$0.90	\$3.68
New Revenues			
Future Local Revenues for Transportation	\$0.00	\$8.83	\$8.83
Future MTS Local Revenues	\$2.15	\$7.05	\$9.20
TNC Fees (Ridehailing)	\$0.75	\$1.97	\$2.72
Air Pollution Control District Fees	\$0.04	\$0.06	\$0.10
Value Capture-Joint Development	\$0.80	\$0.10	\$0.90
DMV Registration Sticker Elimination	\$0.02	\$0.03	\$0.05
Last Mile Delivery	\$0.79	\$1.51	\$2.30
Advertising/Naming Rights/Sponsorship	\$0.15	\$0.27	\$0.42
Anticipated/Undetermined	\$1.08	\$2.64	\$3.72
Land Use and Housing Revenue	\$0.07	\$0.12	\$0.19
Parking Fees	\$0.69	\$2.06	\$2.75
Future State Revenues	\$1.06	\$4.64	\$5.70
Future Federal Revenues	\$0.98	\$3.06	\$4.04
Total	\$41.49	\$88.73	\$130.22