

12 Financial Plan

12.1 Introduction

The purpose of the Financial Plan is to demonstrate that the costs of proposed transportation improvements identified in the RFATS 2035 Long Range Transportation Plan are consistent with the projected revenues over the next 27 years. Transportation needs in most, if not all localities far exceeds the funding resources available. For this reason, the federal highway bill, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) requires financial planning to be performed as a component of Long Range Transportation Plans. A plan that shows the costs of improvements, in the year of expenditure (YOE), balanced against the projected revenue stream, adjusted for inflation, is said to be “financially constrained.”

This chapter provides an overview of the revenue and cost assumptions used to extrapolate future revenues and costs from available historical data. All values provided should be re-evaluated in future plan updates.

12.2 Funding Sources

12.2.1 SCDOT Guideshare

Federal Funds distributed to the South Carolina Department of Transportation (SCDOT) are applied towards system upgrades in the State’s 10 Metropolitan Planning Organizations (MPOs). The funding level of each MPO is determined by the MPO’s proportion of the state’s population. That percentage is weighed against the statewide funds available for system upgrades and results in the MPO’s Guideshare allocation. Currently, RFATS receives an annual Guideshare of approximately \$2.819 million.

12.2.2 Projects Exempt from the SCDOT Guideshare

Projects that are funded on a statewide basis through other federal programs are listed in the Transportation Improvement Program (TIP) as “Projects Exempt From Guideshare,” which means the projects are funded through other sources. Most of these projects are on the Interstate Highway System; SCDOT identifies and funds Interstate projects through a statewide system and then advises each MPO. Bridge replacement projects, resurfacing projects, safety projects and other statewide programs are also listed here.

12.2.3 SAFETEA-LU Earmarks

Projects that are funded through a SAFETEA-LU Earmark frequently fall into one of the following transportation funding categories:

- (1) High Priority Projects;
- (2) Projects of National and Regional Significance; and the
- (3) National Corridor Infrastructure Improvement Program.

Periodically, a project within the RFATS TIP may receive this type of funding support.

12.2.4 State Infrastructure Bank

This institution provides financing for a wide variety of highway and transit projects through loans and credit enhancements. A State Infrastructure Bank is designed to complement the traditional Federal Aid Highway and transit grants administered by SCDOT.

12.2.5 Transportation Enhancement Program

Funds that help expand transportation choices as well as improve the overall transportation experience are supported through the Transportation Enhancement Program. The RFATS Study Area receives an annual allocation from SCDOT to implement improvements to pedestrian and bicycle infrastructure, safety programs as well as landscaping and scenic beautification efforts.

12.2.6 Congestion Mitigation and Air Quality Improvement Funds

In 1990, Congress amended the Clean Air Act (CAA) to bolster America's efforts to attain the National Ambient Air Quality Standards (NAAQS). The amendments required further reductions in the amount of permissible tailpipe emissions, initiated more stringent control measures in areas that still failed to attain the NAAQS (nonattainment areas), and provided for a stronger, more rigorous linkage between transportation and air quality planning. In 1991, Congress adopted the Intermodal Surface Transportation Efficiency Act (ISTEA). This law authorized the CMAQ program, and provided \$6.0 billion in funding for surface transportation and other related projects that contribute to air quality improvements and reduce congestion. The CAA amendments, ISTEA and the CMAQ program together were intended to realign the focus of transportation planning toward a more inclusive, environmentally-sensitive, and multimodal approach to addressing transportation problems.

The CMAQ program, jointly administered by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA), was reauthorized in 2005 under SAFETEA-LU. The CMAQ program provides over \$8.6 billion dollars in funds to State

DOTs, MPOs, and transit agencies to invest in projects that reduce criteria air pollutants regulated from transportation-related sources over a period of five years (2005-2009). The current CMAQ program is similar to its TEA-21 predecessor. Funding is available for areas that do not meet the National Ambient Air Quality Standards (nonattainment areas) as well as former nonattainment areas that are now in compliance (maintenance areas). The formula for distribution of funds, which considers an area's population by county and the severity of its ozone and carbon monoxide problems within the nonattainment or maintenance area, with greater weight given to areas that are both carbon monoxide and ozone nonattainment/maintenance areas, is continued.

RFATS is eligible for CMAQ funds through SCDOT for projects that improve traffic congestion and air quality. Typical projects that qualify for this program include:

- Improved and/or expanded public transit options,
- Traffic flow improvements and high-occupancy vehicle lanes,
- Shared-ride services,
- Bicycle/pedestrian facilities, and
- Flexible work schedules.

RFATS eligibility for CMAQ funds is due to the recent EPA designation of RFATS as a non-attainment area for ground level ozone. CMAQ funds are apportioned to SCDOT based on population in the non-attainment area of the state and severity of the air quality problem. As part of the Charlotte/Metrolina Region, RFATS is classified as moderate by EPA and receives funding equivalent to this status.

12.2.7 Pennies for Progress

Pennies for Progress is the name of the York County Capital Projects Sales and Use Tax Programs. The Pennies for Progress Programs were initiated by York County to provide the citizens with a safer and more efficient roadway system. The projects were chosen by a Sales Tax Commission that represented the citizens of York County and then were approved by the voters in York County. York County was the first county in South Carolina to pass this type of sales tax to improve the road system. A benefit of this tax is ninety-nine cents of every sales tax dollar raised in York County stays in York County. York County is currently working on two sales tax programs; the following is general information about the programs:

1997 Pennies for Progress

- Referendum Passed: November 1997
- Tax Expired: Expired in 6 Years
- Budget: \$185,751,077
- Number of Projects: 14

- Program Duration: 1998 to 2009

2003 Pennies for Progress

- Referendum Passed: November 2003
- Tax Expires: No later than August 2011
- Budget: \$173,000,000
- Number of Projects: 25
- Program Duration: 2004 to 2013

It will take approximately eight more years to complete construction on the 1997 and 2003 Pennies for Progress road projects.

York County is considering continuing the one cent sales tax with a 2010 round of potential projects. Projects that are unfunded by the Guideshare, may be included in this program.

12.2.8 Surface Transportation Program – Direct Allocation (STP-DA) Funds

Surface Transportation Program – Direct Allocation or STP-DA funds come directly from the federal government to urbanized areas greater than 200,000 in population. A portion of the Charlotte urbanized area is located in South Carolina around the Fort Mill area. By agreement, RFATS provides the planning and program development for this area and already receives funding as part of its Guideshare allocation from SCDOT. STP-DA funds can be used for any kind of transportation improvement including highway, transit, or pedestrian and requires a local match of 20 percent. STP-DA projects must also be included in both the State TIP and the local TIP.

12.3 Funding Scenarios

Table 12.1 identifies the current funding situation for the RFATS MPO. Please note that the Guideshare revenue remains flat beyond the term of the current federal highway bill (SAFETEA-LU) out to year 2035. This conservative approach was elected for use and no assumptions were made for inflation or projections of revenue for future years. The loan payments shown are the result of borrowing funds to accelerate the widening of SC 161. The debt service is for SCDOT's 27 in 7 program where 27 years of road and bridge work were completed in 7 years. This innovative program uses future federal funds to retire state highway bonds. There were five separate bonding programs with one being dedicated to MPOs. The MPOs pay off that debt using future federal funds as shown in Table 12.1. As can be seen, the Loan Payments and Debt Service are deducted from the Guideshare revenue to determine the Net Available Funds. Cumulative Funds Available

is determined by simply adding the current year’s Net Available Funds to the previous year’s Cumulative Funds Available value. This will aid in determining future funding strategies to complete the RFATS MPO’s priority projects.

The Federal Transportation bill, SAFETEA-LU, requires consideration for the effects of inflation in developing project cost estimates. Under the new requirement, financial constraint of the plan must be demonstrated in “Year of Expenditure” dollars, or YOE dollars. The rationale for this rule is that long-range estimates of transportation costs have understated the deficit between costs and revenues. Therefore, converting all costs and revenues to YOE dollars would theoretically present a more accurate picture of costs, revenues, and deficits associated with a long-range transportation plan.

The methodology used to convert current project cost estimates to YOE dollars is defined as follows. Costs associated with proposed projects must be examined and a method of forecasting project costs should be developed. The Federal Highway Administration (FHWA) tracks costs for major items of construction and publishes the Highway Construction Cost Index (HCCI). The FHWA started tracking such costs in 1972 and uses 1987 as the base year. Figure 12.1 shows the changes in the HCCI over the life of the index.

In order to forecast costs from this chart, certain trends need to be identified since simple linear regression analysis does not yield satisfactory results. By reviewing the chart, it appears that there is a significant upward swing in the HCCI about every fifteen years (1975, 1990, and 2005) followed by a correction and a flatter growth curve.

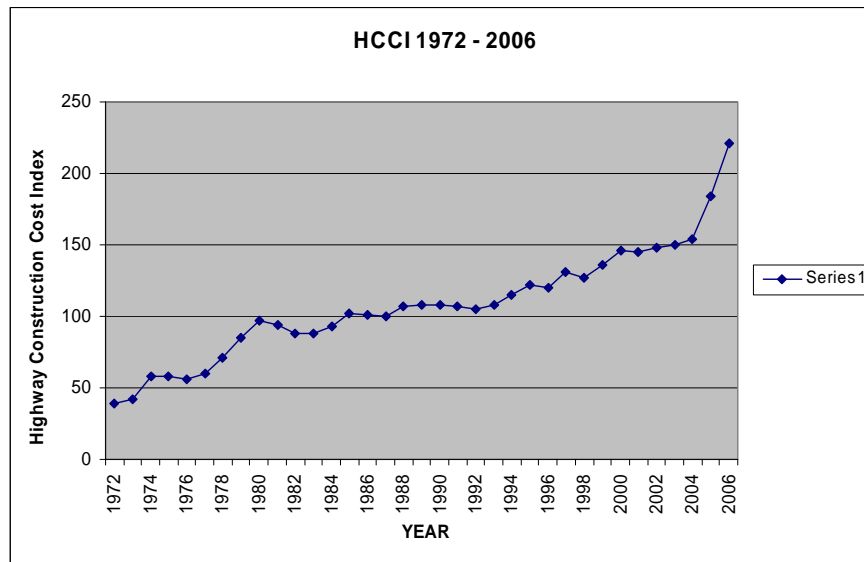
Table 12.1: RFATS Funding **

Year	Guideshare (x1000)	Loan Payments (x1000)	Debt Service (x1000)	Net Available Funds (x1000)	Cumulative Funds Available (x1000)
2008	2,819	1,430	1,389	227	227
2009	2,819	1,437	1,383	-291	-64
2010	2,819	1,279	1,345	195	131
2011	2,819		1,336	1,483	1,614
2012	2,819		1,329	1,490	3,104
2013	2,819		1,330	1,489	4,593
2014	2,819		1,327	1,492	6,085
2015	2,819		1,325	1,494	7,579
2016	2,819		1,323	1,496	9,075
2017	2,819		1,317	1,502	10,577
2018	2,819		1,313	1,506	12,083
2019	2,819		1,308	1,511	13,594

2020	2,819		1,221	1,598	15,192
2021	2,819		1,223	1,596	16,788
2022	2,819		194	2,625	19,413
2023	2,819				22,232
2024	2,819				25,051
2025	2,819				27,870
2026	2,819				30,689
2027	2,819				33,508
2028	2,819				36,327
2029	2,819				39,146
2030	2,819				41,965
2031	2,819				44,784
2032	2,819				47,603
2033	2,819				50,422
2034	2,819				53,241
2035	2,819				56,060
TOTAL	78,932	4,146	18,663	19,413	56,060

Based on information provided from SCDOT as of Feb 27, 2009

Figure 12.1: Historical HCCI

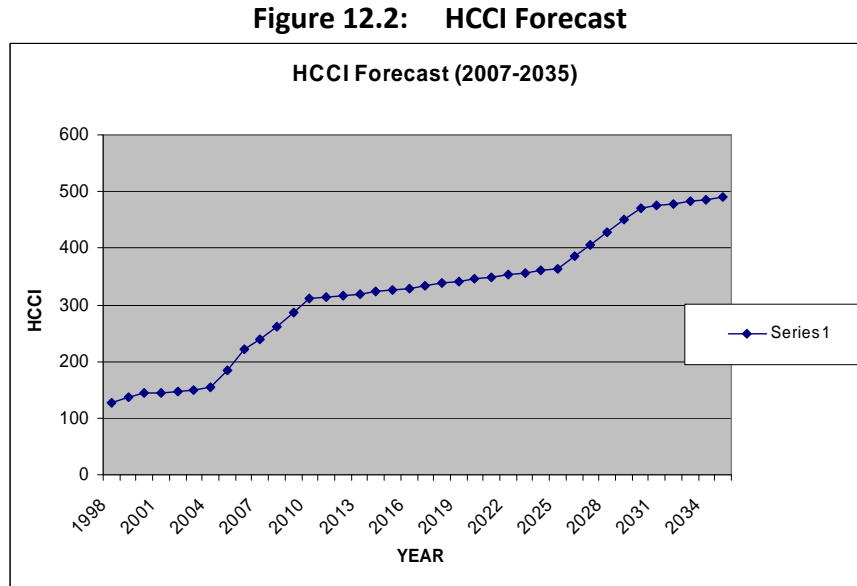


Beyond the chart, other trends in the construction marketplace that influence costs include rising oil prices, and rising demands for steel and concrete to satisfy worldwide consumption.

Assumptions made for the purposes of forecasting project costs for the 2035 Long Range Transportation Plan are as follows:

1. The current steep rise in the HCCI will continue through the year 2010,
2. The HCCI will grow at more “normal” rates beyond 2010,
3. There will be another steep rise of the HCCI in 2025 that lasts for five years, and
4. The HCCI will grow at more “normal” rates beyond 2025.

Figure 12.2 shows the future trends and growth of the HCCI through the year 2035.



The HCCI was “normalized” using 2004 as the base year. The HCCI was expressed as a percentage of the 2004 costs as opposed to using 1987 as the base year in the FHWA model (See Figure 12.3).

Figure 12.3: HCCI as a Percent of 2004 Costs

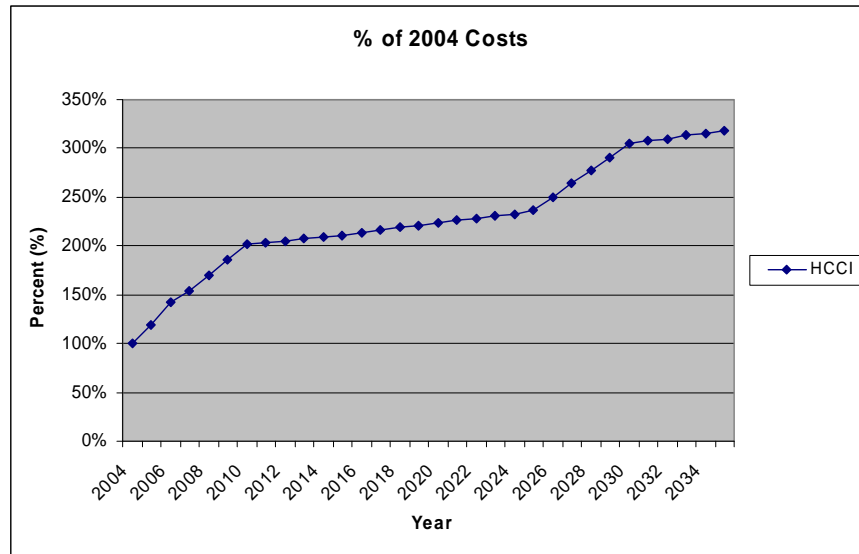


Figure 12.3 indicates that the 2004 project costs will double by 2010 and triple by 2030.

The 2035 Project List, endorsed by the RFATS MPO Policy Committee, included the following “cost constrained” projects:

1. (a) – Intersection Improvements / Congestion Mitigation Projects;
1. (b) – Safety/Ped/Bike Project;
2. Catawba River Bridge Feasibility, Planning and Engineering and Environmental; and
3. Catawba River Bridge Construction

The cost estimates were provided in 2004 dollars so these costs served as the baseline for forecasting project costs into future years using the values in Figure 12.3. The costs for each project were computed for each year through 2035 (see Table 12.2).

Table 12.2: Forecast of Project Costs

YEAR	HCCI	PROJECT			
		1a (x1000)	1b (x1000)	2 (x1000)	3 (x1000)
2004	100%	\$ 7,500	\$ 1,500	\$ 5,000	\$ 14,000
2005	119%	\$ 8,925	\$ 1,785	\$ 5,950	\$ 16,660
2006	143%	\$ 10,725	\$ 2,145	\$ 7,150	\$ 20,020
2007	154%	\$ 11,550	\$ 2,310	\$ 7,700	\$ 21,560
2008	170%	\$ 12,750	\$ 2,550	\$ 8,500	\$ 23,800
2009	186%	\$ 13,950	\$ 2,790	\$ 9,300	\$ 26,040
2010	202%	\$ 15,150	\$ 3,030	\$ 10,100	\$ 28,280
2011	203%	\$ 15,225	\$ 3,045	\$ 10,150	\$ 28,420
2012	205%	\$ 15,375	\$ 3,075	\$ 10,250	\$ 28,700
2013	207%	\$ 15,525	\$ 3,105	\$ 10,350	\$ 28,980
2014	209%	\$ 15,675	\$ 3,135	\$ 10,450	\$ 29,260
2015	211%	\$ 15,825	\$ 3,165	\$ 10,550	\$ 29,540
2016	214%	\$ 16,050	\$ 3,210	\$ 10,700	\$ 29,960
2017	216%	\$ 16,200	\$ 3,240	\$ 10,800	\$ 30,240
2018	219%	\$ 16,425	\$ 3,285	\$ 10,950	\$ 30,660
2019	221%	\$ 16,575	\$ 3,315	\$ 11,050	\$ 30,940
2020	223%	\$ 16,725	\$ 3,345	\$ 11,150	\$ 31,220
2021	226%	\$ 16,950	\$ 3,390	\$ 11,300	\$ 31,640
2022	228%	\$ 17,100	\$ 3,420	\$ 11,400	\$ 31,920
2023	231%	\$ 17,325	\$ 3,465	\$ 11,550	\$ 32,340
2024	233%	\$ 17,475	\$ 3,495	\$ 11,650	\$ 32,620
2025	236%	\$ 17,700	\$ 3,540	\$ 11,800	\$ 33,040
2026	250%	\$ 18,750	\$ 3,750	\$ 12,500	\$ 35,000
2027	264%	\$ 19,800	\$ 3,960	\$ 13,200	\$ 36,960
2028	278%	\$ 20,850	\$ 4,170	\$ 13,900	\$ 38,920
2029	291%	\$ 21,825	\$ 4,365	\$ 14,550	\$ 40,740
2030	305%	\$ 22,875	\$ 4,575	\$ 15,250	\$ 42,700
2031	308%	\$ 23,100	\$ 4,620	\$ 15,400	\$ 43,120
2032	310%	\$ 23,250	\$ 4,650	\$ 15,500	\$ 43,400
2033	313%	\$ 23,475	\$ 4,695	\$ 15,650	\$ 43,820
2034	315%	\$ 23,625	\$ 4,725	\$ 15,750	\$ 44,100
2035	318%	\$ 23,850	\$ 4,770	\$ 15,900	\$ 44,520

The forecasted project costs were also plotted against the Cumulative Available Funds from Table 12.1 (see Figure 12.4).

Figure 12.4: Available Funds vs Project Costs

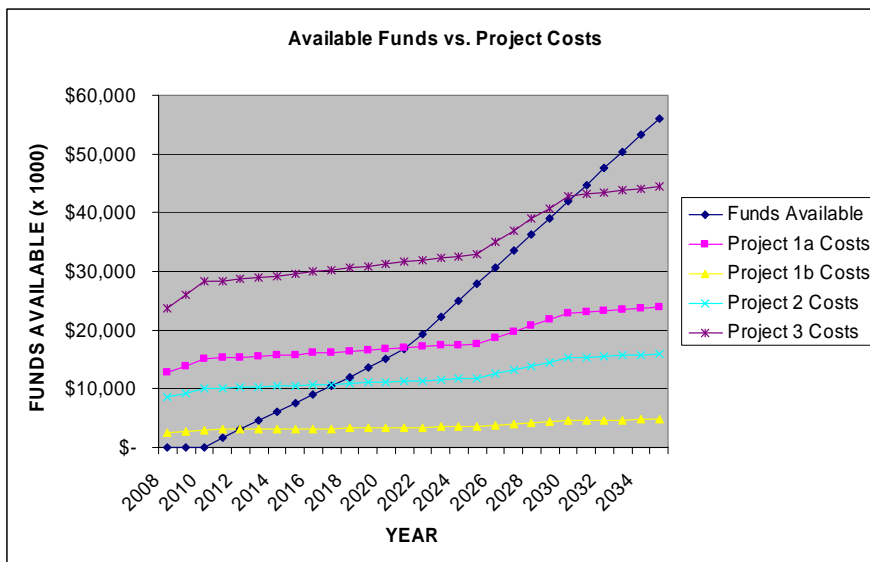


Table 12.2 and Figure 12.4 illustrate that the revenue stream is not sufficient to offset project costs for the RFATS MPOs priority projects. The number of projects will need to be reduced and a strategy of borrowing funds (paid back with future revenues to accelerate projects), should be considered as a cost control method and as a means of getting the most for the money.

The RFATS MPO has determined that projects 1a, 2, and 3 are their top priority, federally funded projects. Their intent is to fully fund projects 2 and 3 with the Guideshare and fund as many projects included in 1a (there are 34 intersections included) as possible with the remaining Guideshare revenue. RFATS has selected year 2025 as the horizon year for Project 3. Assuming that the construction for project 3 will last three years, construction should be let and start no later than year 2022. In 2022, the estimated construction cost is \$31.920 million. In advance of the construction, project development and plan preparation will occur and could take several years. This should start no later than 2015 when it is estimated to cost \$10.550 million. The combined total of projects 2 and 3 is approximately \$42.470 million leaving approximately \$13.665 million to fund several projects included in Project 1 and to pay interest on money borrowed. Projects that are left unfunded in 1a and 1b may be locally funded in the programs described under “Funding Sources.”

12.4 Other Funding Sources

12.4.1 Public-Private Partnerships

Finally, private development can be a large contributor to the transportation system through the development review process or through exactions. Through diligent

planning and earlier project identification, regulations, policies, and procedures could be developed to protect future thoroughfare corridors and require contributions from developers when the property is subdivided. These measures would reduce the cost of right-of-way and would require (in some cases) the developer to make improvements to the roadway that would result in a lower cost when the improvement is actually constructed. To accomplish this goal, it will take a cooperative effort between local planning staff, SCDOT planning staff, and the development community.

12.5 Transit

12.5.1 Transit Operations and Funding

Transit service in the RFATS planning area is described in Chapter 8. Transit funding is provided by the Federal Transit Administration (FTA) and the State Mass Transit Funding (SMTF) program.

The FTA also administers the Section 5307 Urbanized Area Formula Program which provides funding for planning and capital items at 80% of their cost. The program also provides 50% of the net annual deficit for transit operations in an urbanized area. Funds are apportioned to urbanized areas using formulas based on population, population density, and other factors associated with transit service ridership.

These funds are apportioned annually and remain available for 4 fiscal years (the year of apportionment plus 3 more years). The federal apportionment must be matched by state and local funds. Local matching funds can be cash or cash-equivalent, depending upon the expenditure. Non-cash shares, such as donations, volunteered services, or in-kind contributions, are eligible as local match only in value if each share is formally documented.

Section 5307 program grants are governed by CFR 20.505, Title 49 United States Code 5307. The program is funded from general federal revenues and Federal Reserve trust funds. The City of Rock Hill receives a direction allocation to support transit planning and operational activities. Funding from this source has increased steadily since 2002 as indicated in Table 12.3:

Table 12.3: Federal Allocation

Fiscal Year	Allocation
2002	\$ 497,555
2003	\$ 545,614
2004	\$ 586,238
2005	\$ 586,172
2006	\$ 627,404
2007	\$ 659,663

Using the values in Table 12.3, a linear regression analysis was performed to project the federal allocation to 2035 as shown the Table 12.4:

Table 12.4: Projected Federal Allocation

Fiscal Year	Allocation
2006 - 2010	\$ 3,461,974
2011 - 2015	\$ 4,252,380
2016 - 2020	\$ 5,036,797
2021 - 2025	\$ 5,821,215
2026 - 2030	\$ 6,605,631
2031 - 2035	\$ 7,390,047

State Mass Transit Funds (SMTF) are generally used towards the local match for an applicant’s federal funds for those applicants serving the general public or for special projects. Eligible assistance categories include capital, administration, and operations. These categories correspond to the federal program under which the SMTF funds are matching. Contracted services for marketing programs, impact assessments, and other technical assistance related to the improvement of existing services are considered eligible costs for SMTF funding.

South Carolina’s SMTF funds are generated from the highway use tax on motor fuel at a rate of \$0.25/gallon of fuel sold. As a general rule, this generates approximately \$6 million/year on a statewide basis. Funds are applied for through the Mass Transit Division of SCDOT.

Funding from the SMTF program is shown in Table 12.5:

Table 12.5: SMTF Allocation

Fiscal Year	Allocation
2002	\$ 92,420
2003	\$ 136,329
2004	\$ 146,560
2005	\$ 103,454
2006	\$ 108,406

Analysis shows that the historical data in Table 12.5 presents a downward trend. However, the program was not fully funded in 2005 and 2006 and may account for the lower “matching” funds. Therefore, using a linear regression analysis from the data for years 2002 – 2004 yields the projected allocation as shown in Table 12.6:

Table 12.6: Projected SMTF Allocation

Fiscal Year	Allocation
2006 - 2010	\$ 1,204,406
2011 - 2015	\$ 1,979,000
2016 - 2020	\$ 1,655,800
2021 - 2025	\$ 3,332,500
2026 - 2030	\$ 4,009,300
2031 - 2035	\$ 4,686,000

On the expenditure side, the operational costs presented in the Rock Hill Transit Implementation Plan are shown in Table 12.7. The operational costs were based on 2006 dollars and have been projected at an annual rate of 4% to the year of expenditure. Note that costs included in RFATS' Major Investment Study (Rapid Transit Alternatives) are unfunded at this time and have been excluded from this analysis.

Table 12.7: Operational Costs (local share only)

Year	Transit Implementation Plan
2006 – 2010	\$ 1,080,400
2011 – 2015	\$ 1,123,600
2016 – 2020	\$ 1,168,500
2021 – 2025	\$ 1,215,200
2026 – 2030	\$1,263,800
2031 - 2035	\$ 1,314, 400

In order to implement the transit goals of the RFATS MPO, capital expenditures are required. These are outlined in the aforementioned plans and are based on 2006 dollars. For the purposes of preparing this financial plan, it was assumed that the capital costs would follow the same trends as the highway costs presented earlier in this chapter. The capital costs are shown in Table 12.8:

Table 12.8: Capital Costs (local share only)

Transit

Year	Implementation Plan
2006 – 2010	\$ 226,960
2011 – 2015	\$ 0
2016 – 2020	\$ 0
2021 – 2025	\$ 0
2026 – 2030	\$ 0
2031 - 2035	\$ 0

Table 12.9 shows the relationship between the revenue and costs presented above.

Table 12.9: Revenue vs. Costs (local share only)

Year	Revenue	Operational Costs	Capital Costs	Remaining Funds
2006 – 2010	\$ 4,666,380	\$ 1,080,400	\$ 226,960	\$ 3,359,020
2011 – 2015	\$ 6,231,380	\$ 1,123,600	\$ 0	\$ 5,107,780
2016 – 2020	\$ 7,692,597	\$ 1,168,500	\$ 0	\$ 6,524,097
2021 – 2025	\$ 9,153,715	\$ 1,215,200	\$ 0	\$ 7,938,515
2026 – 2030	\$10,614,931	\$ 1,263,800	\$ 0	\$ 9,351,131
2031 - 2035	\$12,076,047	\$ 1,314,400	\$ 0	\$ 10,761,647

Table 12.9 clearly shows that currently planned operational costs and capital expenditures are within anticipated funding levels. No assumptions were made to carry over “Remaining Funds” from one period to the next.

12.6 Other Potential Funding Sources

12.6.1 Federal Section 5309 Grant Program: Capital Program

The Section 5309 Capital Program provides assistance for fixed-guideway modernization, bus, bus-related equipment, paratransit vehicles, and construction of bus-related facilities.

In order for a fixed-guideway project to be recommended by the FTA to Congress for discretionary funding, it must receive favorable ratings on the following “New Starts” criteria:

- Level of mobility improvement provided by the project
- Extent to which land use policies are supportive of rapid transit
- Environmental benefits

- Transit operating efficiency
- Cost effectiveness
- Local financial commitment

The local project must receive favorable rating on the above criteria in comparison to competing projects seeking federal funds throughout the country.

Section 5309 funds must be matched by state and local funds. Local matching funds can be cash or cash-equivalent, depending upon the expenditure. Non-cash shares, such as donations, volunteered services, or in-kind contributions, are eligible as local match only if the value of each share is formally documented.

Section 5309 program grants are governed by CFR 20.500, Title 49, United States Code 5309. Capital assistance grants made to local agencies are funded up to 80% of net project costs, unless the grant recipient requests a lower federal grant percentage.

SAFETEA-LU amended 49 U.S.C. 5309 to add subsection (e) related to a new capital investment category for projects requesting Section 5309 funding of less than \$75 million with a total project cost of less than \$250 million. The new capital investment program category, referred to as “Small Starts”, started in FY 2007.

Any public body is eligible to apply for “Small Starts” funds as long as it has the legal, technical, and financial capacity to carry out the project. If the grant applicant is not expected to be the project operator, the applicant must demonstrate how the project will be operated and maintained and provide an executed agreement before a Project Construction Grant Agreement can be finalized.

In addition to the aforementioned cost and funding limits, a “Small Starts” project must either (a) meet the definition of a fixed Guideway for at least 50 percent of the project length in the peak period, (b) be a fixed Guideway project, or (c) be a corridor-based bus project with the following minimum elements:

- Substantial transit stations,
- Traffic signal priority/pre-emption, to the extent that there are traffic signals along the corridor,
- Low-floor vehicles or level boarding,
- Branding of the proposed bus service, and
- Ten-minute peak/15-minute off-peak headways or better while operating at least hours per weekday.

“Very Small Starts” projects are simple, low-risk projects that, based on their characteristics and operating context, qualify for a highly simplified project evaluation and rating process. Projects that fall in this category include the following features:

- Substantial transit stations,
- Traffic signal priority/pre-emption, to the extent that there are traffic signals along the corridor,
- Low-floor vehicles or level boarding,
- Branding of the proposed bus service,
- Ten-minute peak/15-minute off-peak headways or better while operating at least 14 hours per weekday,
- Are in corridors with existing riders who will benefit from the proposed project that exceed 3,000 passengers per average weekday, and
- Have a total capital cost of less than \$50 million (including all project elements) and less than \$3 million per mile, exclusive of rolling stock.

If a project does not meet all of the aforementioned criteria for classification as a “Very Small Starts” project, it will be evaluated as a “Small Starts” project.

12.6.2 Congestion Mitigation and Air Quality (CMAQ) Program

Rock Hill could discuss with the SCDOT the use of CMAQ funds for start-up of enhanced bus services along US-21.

12.6.3 State Infrastructure Bank

The South Carolina State Infrastructure Bank is an institution established to select and assist in financing major qualified projects by providing loans and other financial assistance to government units as well as private entities for constructing and improving highway and transportation facilities necessary for public purposes.

12.6.4 Pennies for Progress Program

In 1997 and 2003, York County voters approved *Pennies for Progress*, York County Capital Sales and Use Tax Programs, to finance lists of identified road projects using a one percent sales tax levied within the county. The 2003 program consists of 25 projects with a budget of \$173,000,000. The tax collections for the 2003 program began after the maximum amount for the 1997 program of \$99,255,000 was collected; thus, the 2003 program represents a continuation of the initial program.

Should enough money be collected to complete the identified projects before the end of the mandatory seven-year collection period, the Capital Projects Sales Tax will end. In

any case, the Capital Projects Sales Tax will end in seven years so that any work not funded at the end of this period would not be performed unless additional non-sales tax revenues are identified.

Two road projects are located along the Rapid Transit Locally Preferred Alternative and should be designed to accommodate the US-21 BRT option:

- Replacement of the US-21 bridge over the Catawba River – this project is in SCDOT’s bridge replacement program.
- White Street Realignment and Railroad Crossing – the widening of White Street in Rock Hill to a multi-lane facility including realignment and railroad crossing improvements, which is in the 2003 *Pennies for Progress Program*.

A continuation of the Capital Sales and Use Tax Program could be a local financing source to leverage federal and state funds for road improvements to implement the US 21 BRT alternative, or to serve as the sole source of project funding. Possible projects range from adding lanes to intersections for transit “queue jumpers” and right turns to construction of a dedicated bus lane along an arterial where warranted.

Table 12.10 displays potential funding sources for transit programs.

Figure 12.10: Potential Funding Sources

CATEGORY	FEDERAL		SIB	LOCAL		
	5307	5309		System Revenue	Local	Private
Vehicles	◆	◆	◆	◆	◆	◆
Promotion	◆		◆	◆	◆	◆
Planning	◆		◆		◆	◆
Support Equipment	◆	◆	◆	◆	◆	◆
Facilities	◆	◆	◆	◆	◆	◆
Operations	◆		◆	◆	◆	◆

US DEPARTMENT OF TRANSPORTATION, FEDERAL TRANSIT ADMINISTRATION, CIRCULAR FTA C9030.1C, CHAPTER I, SECTION 4

12.6.5 Federal Stimulus Package

On February 19, 2009, the American Reinvestment and Recovery Act (ARRA) was signed into law as an economic stimulus measure aimed at creating jobs by funding construction projects that municipalities otherwise would not be able to afford in the

current economic environment. Specific transportation program categories include: interstate maintenance, safety/traffic improvements, sidewalk enhancements, bridge replacements, as well as road resurfacing projects.

To be eligible for stimulus funding however, projects must be “shovel ready,” meaning that plans and contracts must be ready to be signed. Indeed, it is expected that most of the money will need to be spent within 18 months. It should be noted that projects submitted for stimulus funding remain subject to the provisions of Act 114 passed in 2007, which specified that SCDOT employ a statewide project ranking criteria to identify the highest priority projects receive primary funding consideration.

12.7 Bicycle/Pedestrian

12.7.1 Current Plans

As defined in Chapter 10, York County is working on a Bicycle Accommodation Plan. The City of Rock Hill proposes new facilities according to their Trails and Greenways Master Plan. Fort Mill’s Comprehensive Plan has goals of improving bicycle and pedestrian facilities.

12.7.2 Potential Funding Sources

Revenue sources within Rock Hill include an operating budget, hospitality tax, and Red River tax increment. These along with a federal grant and SC Trails grant, should see total funding revenue of about \$3,475,000 through fiscal year 2017/2018.

Another significant contributor is the York County One Cent Sales Tax Program. This countywide road improvement program includes several projects in the RFATS Study Area that will integrate new and/or improved pedestrian and bicycle facilities along with the road construction activities. Because the trail or sidewalk will be incorporated into the individual roadway projects, it is difficult to provide a dollar figure for projects incorporated into the One Cent Sales Tax Program.

In 2005, Congress provided funding for each state to have a Safe Routes to School (SRTS) Program. SRTS enables and encourages children, including those with disabilities, to safely walk and bicycle to and from school. SCDOT’s Safe Routes to School Program assists schools and communities in the planning, development, and implementation of projects and activities that will improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools while promoting a healthy lifestyle for children and their parents. No schools within the RFATS Study Area was awarded funding in 2007 or 2008.

The South Carolina Department of Transportation shares an interest in enhancing communities, towns, cities and counties. Since 1992, the SCDOT Commission has elected to allocate a portion of available funds to the Transportation Enhancement Program. The program facilitates and provides a greater opportunity for local governments to collaborate with the agency to pursue a broad range of non-traditional transportation related activities such as bicycle and pedestrian facilities, streetscape improvements, scenic and landscaping programs, and historic preservation. Transportation Enhancement Funds are provided for under the current Federal Transportation Legislation SAFETEA-LU (Formerly Transportation Equity Act for the 21st Century also known as TEA 21 and previously known as ISTEA) and allocated by the South Carolina Department of Transportation. The RFATS 2009-2015 TIP includes funding from this source up through 2009 when SAFETEA-LU will expire as follows:

Table 12.10: Transportation Enhancement Program

Year	Federal Funding	Local Match	TOTAL
2007	\$ 190,822	\$ 47,723	\$ 238,545
2008	\$ 299,813	\$ 74,953	\$ 374,766
2009	\$ 165,670	\$ 117,634	\$ 283,034

Through coordination with regional efforts, some funding may also be available through the Carolina Thread Trail planning and construction process. This funding will be dependent on the location of City trails and the availability of these trails to connect to the larger Thread Trail system.

A similar review of capital expenditures revealed that over a 10-year period, \$1,849,000 has been programmed to date. Therefore, approximately \$1,626,000 is available for funding the 40 projects listed as proposed or recommended in the trail inventory.

12.6 Summary and Recommendations

12.8.1 Summary of Key Points

- Transportation needs in most, if not all localities far exceeds the funding resources available,
- Revenue is provided through Federal, State and Local programs,

- “Year of Expenditure” costs were determined by evaluating trends and applying inflation factors,
- By reviewing revenues versus costs, a cost constrained financial plan can be developed to address mobility needs in the RFATS Study Area.

12.8.2 Recommendations

- Using the Guidesshare, fully fund the Catawba River Bridge project and begin planning studies,
- Fund as many intersection projects as possible with remaining Guidesshare funds,
- Assist York County in pursuing a third “Pennies for Progress” program,
- Develop plans, regulations, policies, and procedures to protect future thoroughfare corridors and require contributions from developers,
- Work with RFATS communities to fund portions of the US 21 Bus Rapid Transit (BRT) option as part of the Replacement of US 21 Bridge over the Catawba River,
- Continue the Capital Sales and Use Tax Program as a local funding source to leverage federal and state funds for road improvements and to implement the US 21 BRT option,
- Continue to integrate new and/or improved pedestrian and bicycle facilities along with road improvements proposed in the “Pennies for Progress” program.
- Investigate all Federal programs and the South Carolina State Infrastructure Bank (SIB) for identified highway and US 21 BRT projects.