



TRIP97 FINANCE/FUNDING OVERVIEW AND NEXT STEPS

OVERVIEW

Creation and application of new and unique funding mechanisms and strategies has been one of the founding elements of *TRIP97*. The guiding philosophy has been application of “*small bites from many different sources*” primarily related to growth and tax increment growth. Funding could potentially be pooled within the corridor and invested based on prioritization established through corridor centric evaluation tools and governance mechanisms, also identified within *TRIP97*.

TRIP97 work to date has produced a list of funding mechanisms recommended for consideration. Upon evaluation of the estimated corridor investment concepts it is estimated that a 20-year total amount of \$60M in local funding would be a reasonable target. The \$60M contribution represents a robust local “*match*” designed to attract state & federal participation in the identified corridor investments. Based on anticipated bonding and debt service scenarios, a collection of funding sources of ~\$5.5M annually was targeted for development.

FUNDING AND FINANCING OPTIONS

In consideration of the strategy to develop funding sources via *small bites from many different sources*, this table identifies numerous select funding tools and their associated rate necessary to individually generate \$1,000,000 annually:

Category	Name	Estimated Rate Needed to Raise \$1,000,000 Annually	Who Pays
Trans. Related	Local Gas Tax	1.4 cents/gallon	Fuel purchasers in both counties
	Vehicle Registration Fee	\$4.50/vehicle/yr.	Registered vehicles in both counties
	Tolls	\$0.33/vehicle	Vehicles entering TRIP 97 corridor
	Transportation Utility Fees	\$13.75/household	Households in both counties
Growth Related	Income Tax Increment Financing, Infrastructure Set-aside	15% of income tax growth in infrastructure set-aside areas	State foregoes income tax revenue
	Property Tax Increment Financing Infrastructure Set-aside	15% of property tax growth in infrastructure set-aside areas	Local taxing districts forego property tax revenue

Category	Name	Estimated Rate Needed to Raise \$1,000,000 Annually	Who Pays
	System Development Charges	\$500 per peak hour trip (or dwelling unit)	New development
	Urban Renewal	\$80M in frozen base value	Local taxing districts forego property tax revenue
Other	General Fund	1.2% of GF budgets	TRIP 97 Partners
	Property Tax	\$0.05 per \$1000 assessed	Property owners in both counties
	Income Tax	\$0.04% of personal income	Income earners in both counties
	Sales Tax	0.2% of retail sales	Shoppers in both counties
	Payroll Tax	0.05% of payroll	Employers in both counties
	Transient Lodging Tax	1% of all lodging sales	Tourists in both counties

Again, the goal is to assemble a package of mechanisms which will generate approximately \$5.5M annually to fund project debt service for a period of 20 years. A combination of the above funding mechanisms and associated rates will need to be implemented to achieve the annual funding target.

NEXT STEPS

Potential next steps for the *TRIP97* Partnership, relating to funding/financing are as follows:

1. Achieve consensus on a “comfort level” with proposed/contemplated funding strategies.
 - a. Refine mechanisms as necessary (potentially through a Phase II project or individually).
 - b. Develop a “preferred” funding option recommendation.
2. Identify the appropriate paths and strategies to implementation for proposed/contemplated funding mechanisms.
3. Prepare legislative concepts necessary to implement the funding mechanisms which require legislative action.