

6. Funding Outlook

The transportation revenues expected over the 24-year time horizon of the LRTP will not be enough to cover the cost of the transportation needs in Lincoln and Lancaster County. Compounding the funding shortfall is the increasing cost to construct transportation projects; costs have inflated by approximately 5 percent per year in recent years. Careful consideration of investment strategies is needed, along with an understanding of the associated tradeoffs. This chapter presents an overview of the revenue forecasts, describes the resource allocation process, and establishes a strategy to maintain the transportation system and to make the system function as efficiently as possible, given transportation funding limitations.

Revenue Forecasts

Various sources will be used to fund transportation projects and programs included in this LRTP, such as federal, state, local, and private resources. The following sections describe the funding sources expected to be used to implement the LRTP recommendations.

Urban Roads Program Funding

The Urban Roads Program funding sources are described below, with **Table 14** detailing the estimated year by year revenue forecasts.

City Wheel Tax

The City Wheel Tax is a revenue source generated by a City tax on all vehicles registered within corporate limits. Wheel Tax revenues must be applied to specific uses:

- **Residential Rehabilitation Fund:** A portion of the Wheel Tax (14.86 percent) is dedicated to rehabilitating existing residential streets.
- **Construction Fund:** A portion of the Wheel Tax (35.14 percent) is dedicated to funding the design, construction, and ROW

acquisition of streets, roads, alleys, or public ways.

- **Residual Fund:** The remaining portion of the Wheel Tax can be used for general street improvements in the City of Lincoln. Uses include arterial rehabilitation, street maintenance operations, new construction projects, and debt service.

The history of increases in the Wheel Tax generally supports the equivalent of a \$5 increase every five years. Such a regular increase in the Wheel Tax is assumed in the 2040 LRTP. A modest growth in this funding source is also assumed to generally match the growth in the number of registered vehicles at 1.5 percent annually. The City Wheel Tax is estimated to contribute approximately \$597 million in transportation funding through 2040.

General Revenues

Property tax, sales tax, and other sources make up the general fund, which is used for general operating functions of City departments. This local funding source represents pay-as-you-go contributions from the general fund for capital projects with or without other funding sources. In recent years, general fund revenues have accounted for approximately \$5.5 million of the City's annual budget for the road program. The amount is anticipated to continue and is assumed to grow at 3 percent annually to account for economic growth in Lincoln. The City's general revenues are estimated to contribute approximately \$189 million in road program funding through 2040.

Arterial Street Impact Fees

A local funding source, impact fees are dedicated to new water, wastewater, parks, trails, and arterial streets infrastructure. The City levies an impact fee charge against new development to generate revenue to support specific public projects. A one-time, up-front charge paid by new construction only, impact fees can generally be used on public projects within the district in which it is collected. Arterial Street Impact Fees currently generate approximately \$4 million annually and are projected to increase

Table 14. Urban Roads Program Revenue Forecasts (\$Millions)

Year	Local Revenues				State Revenues		Federal Revenues		Total
	Wheel Tax	General Revenues	Impact Fees	RTSD	State Train Mile Tax	State Highway Allocation (Less Bond Payment)	Surface Transportation Program (STP)	STPP Hazard Elimination	
2017	\$18.38	\$5.50	\$4.27	\$4.08	\$0.40	\$18.83	\$5.30	\$2.50	\$59.26
2018	\$18.65	\$5.67	\$4.32	\$4.98	\$0.40	\$20.04	\$5.39	\$4.40	\$63.87
2019	\$18.93	\$5.84	\$4.38	\$5.88	\$0.41	\$21.28	\$5.48	\$0.50	\$62.71
2020	\$19.22	\$6.01	\$4.43	\$6.30	\$0.41	\$22.22	\$5.57	\$0.51	\$64.67
2021	\$20.68	\$6.20	\$4.48	\$6.40	\$0.42	\$22.53	\$5.67	\$0.52	\$66.90
2022	\$20.99	\$6.38	\$4.54	\$6.55	\$0.42	\$22.87	\$5.77	\$0.53	\$68.04
2023	\$21.31	\$6.57	\$4.59	\$6.69	\$0.43	\$23.40	\$5.86	\$0.53	\$69.39
2024	\$21.63	\$6.77	\$4.65	\$6.80	\$0.43	\$26.70	\$5.96	\$0.54	\$73.48
2025	\$21.95	\$6.97	\$4.70	\$6.90	\$0.44	\$27.04	\$6.07	\$0.55	\$74.62
2026	\$23.55	\$7.18	\$4.76	\$7.08	\$0.45	\$27.39	\$6.17	\$0.56	\$77.14
2027	\$23.90	\$7.40	\$4.81	\$7.22	\$0.45	\$27.74	\$6.27	\$0.57	\$78.38
2028	\$24.26	\$7.62	\$4.87	\$7.37	\$0.46	\$30.09	\$6.38	\$0.58	\$81.63
2029	\$24.63	\$7.85	\$4.93	\$7.51	\$0.46	\$30.45	\$6.49	\$0.59	\$82.91
2030	\$24.99	\$8.08	\$4.99	\$7.67	\$0.47	\$30.82	\$6.60	\$0.60	\$84.22
2031	\$26.74	\$8.33	\$5.05	\$7.82	\$0.47	\$31.18	\$6.71	\$0.61	\$86.91
2032	\$27.14	\$8.58	\$5.11	\$7.97	\$0.48	\$31.56	\$6.82	\$0.62	\$88.28
2033	\$27.54	\$8.83	\$5.17	\$8.13	\$0.48	\$31.94	\$6.94	\$0.63	\$89.68
2034	\$27.96	\$9.10	\$5.23	\$8.30	\$0.49	\$32.32	\$7.06	\$0.64	\$91.10
2035	\$28.38	\$9.37	\$5.30	\$8.46	\$0.50	\$32.71	\$7.18	\$0.65	\$92.55
2036	\$30.28	\$9.65	\$5.36	\$8.63	\$0.50	\$33.10	\$7.30	\$0.67	\$95.49
2037	\$30.73	\$9.94	\$5.42	\$8.80	\$0.51	\$33.50	\$7.42	\$0.68	\$97.01
2038	\$31.19	\$10.24	\$5.49	\$8.98	\$0.51	\$33.90	\$7.55	\$0.69	\$98.55
2039	\$31.66	\$10.55	\$5.56	\$9.16	\$0.52	\$34.31	\$7.68	\$0.70	\$100.13
2040	\$32.13	\$10.86	\$5.62	\$9.34	\$0.53	\$34.72	\$7.81	\$0.71	\$101.73
Total	\$596.81	\$189.49	\$118.03	\$177.06	\$11.05	\$680.64	\$155.46	\$20.11	\$1,948.65

1.2 percent annually, which is in line with overall population growth, resulting in an estimated \$118 million in impact fee revenues for arterial streets over the life of the plan.

Railroad Transportation Safety District (RTSD)

This local funding source is generated by a countywide public entity, the Railroad Transportation Safety District, which has taxing authority to levy a property tax. These funds are designed for projects

throughout the City and County to eliminate automobile and railroad conflicts. This funding source is a countywide levy, and a portion of these revenues is projected to be used to help fund qualifying projects in the urban transportation program. RTSD annual revenues are expected to range from \$4 to \$7 million annually over the next 10 years. Subsequently, growth in this funding source is assumed to be 2 percent per year, resulting in an estimated \$177 million in funding through 2040.

State Train Mile Tax

The state tax on rail traffic passing through the State is used for constructing, rehabilitating, relocating, or modifying railroad grade separation facilities. This funding is competitive statewide, and the RTSD often leverages their funds to pay the local share for qualifying projects. An average of \$400,000 annually is assumed based on recent train mile tax revenues. Growth in this funding source is assumed to align with projected freight growth of 1.2 percent per year. An estimated \$11 million in State Trail Mile Tax will be available to improve railroad crossings over the 24-year time horizon of the LRTP.

Highway Allocation Funds (State Fuel Tax)

A state funding formula allocates state fuel tax collections to the City of Lincoln. These funds are designated for projects throughout the City to rehabilitate, construct, and improve streets, intersections/interchanges, sidewalks, bikeways and trails, safety projects, intelligent transportation infrastructure, and landscaping. These funds are also used in the study, design, and acquisition of easements or ROW to support public projects. An estimated \$27 million in annual State Fuel Tax funds are anticipated, with a modest 1.2 percent annual growth matching the population growth projections. The result is an estimated \$724 million in Highway Allocation Funds through 2040.

In 2011, the Nebraska Legislature approved and the Governor signed the Build Nebraska Act, which

approved the use of the statewide sales tax on roadway projects. A portion of this additional revenue goes to local communities; the State uses the remainder of the revenue on the State Highway system. This funding source is slated for use by the State to pay for 80 percent of the South Beltway project costs. Build Nebraska Act funds are not included in the Urban Roads Program revenue forecasts because the use of these funds is at the discretion of the State. These funds are being pursued for major illustrative plan projects in the Lincoln area, such as the East Beltway.

The City of Lincoln issued general obligation highway allocation bonds in 2004 and 2006 to fund rehabilitation, construction, and improvements to streets, intersections, interchanges, sidewalks, bikeways and trails, safety projects, intelligent transportation infrastructure, and landscaping in connection with street improvement projects. The roughly \$5 million annual payment on these bonds is paid with Highway Allocation Funds. Two regular payments to these bonds are scheduled to be completed in 2023 and 2027, respectively. These bond payments are removed from the available State Highway Allocation Funds in 2017–2027 (as shown in **Table 14**). Beginning in 2028, the full allotment of Highway Allocation Funds will be available to the Urban Roads Project. The expected Highway Allocation funding through 2040 is estimated to be \$681 million.

Federal Surface Transportation Program (STP)

A federal funding source, the STP is designated by formula for urbanized areas with a population of more than 200,000 and provides resources for various eligible transportation projects. Based on historic STP funding levels and growth over time, the STP revenue forecasts begin at \$5.3 million in 2017 and are projected to increase 1.7 percent annually. An estimated \$155 million in STP funds can be reasonably expected for use in the urbanized area through 2040.

STPP Hazard Elimination

This federal funding source (a subset of the Surface Transportation Program) provides resources for safety improvements on public roads, railroad crossings, public transportation facilities, bicycle and pedestrian pathways, and trails. The City’s budget includes higher levels of STPP Hazard Elimination funds in 2017 and 2018; however, this funding source can vary greatly from year to year.

Beginning in 2019, the annual STPP Hazard Elimination funding is assumed to generally be \$500,000, with a 1.7 percent annual growth based on historic growth in STP funds, resulting in an estimated \$20 million through 2040.

Transit Funding

The transit funding sources are described below, with **Table 15** detailing the estimated year by year revenue forecasts.

Table 15. Transit Revenue Forecasts (\$Millions)

Year	Federal Transit Administration (FTA)	State Revenues	Fares, Advertising, and UNL Contract	General Revenues	Total
2017	\$1.73	\$1.16	\$3.15	\$6.92	\$12.96
2018	\$1.76	\$1.19	\$3.28	\$7.13	\$13.36
2019	\$1.79	\$1.22	\$3.42	\$7.34	\$13.77
2020	\$1.82	\$1.25	\$3.56	\$7.56	\$14.19
2021	\$1.85	\$1.28	\$3.71	\$7.79	\$14.63
2022	\$1.88	\$1.31	\$3.87	\$8.02	\$15.09
2023	\$1.91	\$1.35	\$4.03	\$8.26	\$15.55
2024	\$1.95	\$1.38	\$4.20	\$8.51	\$16.04
2025	\$1.98	\$1.41	\$4.38	\$8.77	\$16.54
2026	\$2.01	\$1.45	\$4.56	\$9.03	\$17.05
2027	\$2.05	\$1.48	\$4.75	\$9.30	\$17.59
2028	\$2.08	\$1.52	\$4.95	\$9.58	\$18.14
2029	\$2.12	\$1.56	\$5.16	\$9.87	\$18.71
2030	\$2.15	\$1.60	\$5.38	\$10.16	\$19.29
2031	\$2.19	\$1.64	\$5.60	\$10.47	\$19.90
2032	\$2.23	\$1.68	\$5.84	\$10.78	\$20.53
2033	\$2.27	\$1.72	\$6.08	\$11.10	\$21.18
2034	\$2.30	\$1.77	\$6.34	\$11.44	\$21.85
2035	\$2.34	\$1.81	\$6.61	\$11.78	\$22.54
2036	\$2.38	\$1.85	\$6.88	\$12.13	\$23.26
2037	\$2.42	\$1.90	\$7.17	\$12.50	\$24.00
2038	\$2.46	\$1.95	\$7.47	\$12.87	\$24.76
2039	\$2.51	\$2.00	\$7.79	\$13.26	\$25.55
2040	\$2.55	\$2.05	\$8.11	\$13.66	\$26.37
Total	\$50.75	\$37.52	\$126.32	\$238.23	\$452.82

Federal Transit Administration (FTA)

The FTA provides resources for transit operations and capital expenditures. A local match of 20 percent is generally required to qualify for this funding. Currently, StarTran receives approximately \$1.7 million in FTA funding for transit programs. It is assumed that this federal funding source will continue to be available and will grow at a rate of 1.7 percent annually, consistent with historic growth in federal funding. A total of approximately \$51 million in FTA funding is expected through 2040.

State Revenues

State revenues include any State subsidy received in aid of public transit operations and capital expenditures. Currently, funding levels are roughly \$1.2 million per year. It is assumed that this State funding source will continue to be available and will grow at a rate of 2.5 percent annually for a total of nearly \$38 million through 2040.

Fares, Advertising, and UNL Contract

These funds include fare revenue from use of the transit system based on current and projected ridership. The fare revenues are expected to grow based on growth in the community (1.2 percent per year) and on expected fare increases (3 percent per year). Advertising and miscellaneous funding are expected to continue based on historical trends. The contract with the University of Nebraska provides funding to the transit system to provide transit service between the Downtown Campus and East Campus using student fees. In total, these funding sources are forecast to contribute approximately \$126 million in transit funding over the life of the plan.

General Revenues

The City's general fund provides resources for general operating functions of City departments. A portion of the general fund has historically been allocated to support StarTran operations. The level

of general revenues allocated to transit is assumed to remain consistent with historic levels and to grow at 3 percent per year. In total, an estimated \$238 million in general funds will be available for transit through 2040.

Trails Funding

The trails funding sources are described below, with **Table 16** detailing the estimated year by year revenue forecasts.

Set Aside from ST Block Grant Program

This federal funding source (previously entitled Transportation Enhancements and Transportation Alternatives Program) provides resources for transportation-related activities designed to strengthen the cultural, aesthetic, and environmental aspects of the transportation system. A 20 percent local match is typically required. The City of Lincoln currently receives approximately \$500,000 per year. This funding source is expected to continue to be available for trails and other bicycle and pedestrian projects and is assumed to grow at 1.7 percent annually, consistent with the historic federal funding growth rate. Approximately \$15 million in funding can reasonably be expected through 2040.

Federal Recreational Trails

The Recreational Trails program provides funds to states to develop and maintain recreational trails and trail-related facilities for both nonmotorized and motorized recreational trail use. States develop and administer their own programs to distribute these funds for local projects. Historically, this funding source has largely been used to maintain and rehabilitate the local trail system. A 20 percent local match is typically required. The City of Lincoln is eligible to receive up to \$150,000 annually. This federal funding source is also assumed to grow at 1.7 percent annually for a total of \$4.4 million in available funding through 2040.

Lower Platte South Natural Resources District (LPSNRD)

These funds include a state subsidy received through the LPSNRD to aid the construction of the local multi-use trail system related to the regional drainage system and natural areas. A 20 percent local match is typically required. The City of

Lincoln’s trail system regularly benefits from approximately \$150,000 annually through the LPSNRD’s trails program. It is assumed that this source of funds will continue to be available and will grow at a 2.5 percent annual rate for a total of nearly \$5 million in funding through 2040.

Table 16. Trails Revenue Forecasts (\$Millions)

Year	Set Aside from ST Block Grant Program	Federal Recreational Trails	Lower Platte South Natural Resources District (LPSNRD)	Impact Fees	Private Contributions	Keno Funds	Park & Recreation Repair and Replacement	Total
2017	\$0.50	\$0.15	\$0.15	\$0.10	\$0.10	\$0.23	\$0.03	\$1.25
2018	\$0.51	\$0.15	\$0.15	\$0.10	\$0.10	\$0.23	\$0.03	\$1.27
2019	\$0.52	\$0.16	\$0.16	\$0.10	\$0.10	\$0.23	\$0.03	\$1.29
2020	\$0.53	\$0.16	\$0.16	\$0.10	\$0.10	\$0.23	\$0.03	\$1.31
2021	\$0.53	\$0.16	\$0.17	\$0.10	\$0.10	\$0.24	\$0.03	\$1.33
2022	\$0.54	\$0.16	\$0.17	\$0.11	\$0.11	\$0.24	\$0.03	\$1.35
2023	\$0.55	\$0.17	\$0.17	\$0.11	\$0.11	\$0.24	\$0.03	\$1.38
2024	\$0.56	\$0.17	\$0.18	\$0.11	\$0.11	\$0.24	\$0.03	\$1.40
2025	\$0.57	\$0.17	\$0.18	\$0.11	\$0.11	\$0.25	\$0.03	\$1.42
2026	\$0.58	\$0.17	\$0.19	\$0.11	\$0.11	\$0.25	\$0.03	\$1.44
2027	\$0.59	\$0.18	\$0.19	\$0.11	\$0.11	\$0.25	\$0.03	\$1.47
2028	\$0.60	\$0.18	\$0.20	\$0.11	\$0.11	\$0.26	\$0.03	\$1.49
2029	\$0.61	\$0.18	\$0.20	\$0.12	\$0.12	\$0.26	\$0.03	\$1.52
2030	\$0.62	\$0.19	\$0.21	\$0.12	\$0.12	\$0.26	\$0.03	\$1.54
2031	\$0.63	\$0.19	\$0.21	\$0.12	\$0.12	\$0.27	\$0.03	\$1.57
2032	\$0.64	\$0.19	\$0.22	\$0.12	\$0.12	\$0.27	\$0.03	\$1.59
2033	\$0.65	\$0.20	\$0.22	\$0.12	\$0.12	\$0.27	\$0.03	\$1.62
2034	\$0.67	\$0.20	\$0.23	\$0.12	\$0.12	\$0.28	\$0.03	\$1.65
2035	\$0.68	\$0.20	\$0.23	\$0.12	\$0.12	\$0.28	\$0.03	\$1.67
2036	\$0.69	\$0.21	\$0.24	\$0.13	\$0.13	\$0.28	\$0.03	\$1.70
2037	\$0.70	\$0.21	\$0.25	\$0.13	\$0.13	\$0.29	\$0.03	\$1.73
2038	\$0.71	\$0.21	\$0.25	\$0.13	\$0.13	\$0.29	\$0.03	\$1.76
2039	\$0.72	\$0.22	\$0.26	\$0.13	\$0.13	\$0.29	\$0.03	\$1.79
2040	\$0.74	\$0.22	\$0.26	\$0.13	\$0.13	\$0.30	\$0.03	\$1.81
Total	\$14.67	\$4.40	\$4.85	\$2.76	\$2.76	\$6.22	\$0.69	\$36.35

Trail Impact Fees

This local funding source is dedicated for trails. The City levies an impact fee charge against new development to generate revenue to support specific public projects. Impact fees, a one-time, up-front charge paid by new construction only, can generally be used on public projects within the district in which it is collected. The Trails Impact Fee currently generates approximately \$100,000 annually and is projected to increase at 1.2 percent annually, which is in line with overall population growth. The result is an estimated \$2.8 million in Trail Impact Fee revenues for trails over the life of the plan.

Private Contributions

The City of Lincoln’s trails program has historically received periodic private donations for construction of the local trail system. Based on historic contributions averaged over time, an estimated \$2.8 million in private donations can reasonably be expected to support the trails program.

Keno Funds

The City of Lincoln uses a portion of the Keno lottery funds to rehabilitate the local trails system. Current Keno funding levels for the trails program are roughly \$230,000 per year. With an annual growth rate of 1.2 percent (matching the overall population growth), an estimated \$6.2 million in Keno funds will be available for rehabilitation of the trails through 2040.

Park & Recreation Repair and Replacement

The Parks & Recreation budget typically allocates a small amount of money (\$30,000 per year) toward rehabilitation of local trails. This allocation is expected to continue at a 1.2 percent annual growth rate, resulting in approximately \$700,000 in trail rehabilitation funds through 2040.

Summary of Available Revenues

In total, an estimated \$2.4 billion in transportation revenues can reasonably be expected for the urban area roadway, transit, and trails programs, as summarized in **Table 17**.

Table 17. Total Revenue Forecasts

Program	Revenue Forecasts (2017 – 2040)
Urban Roads Program	\$1,948,650,000
Transit Program	\$452,820,000
Trails Program	\$36,350,000
Total	\$2,437,820,000

Resource Allocation

With the revenue forecasts complete, the next step in developing a fiscally constrained transportation plan is to allocate the resources to various project and program categories, as depicted on the right side of the diagram in **Figure 30**.

Project and Program Categories

Seventeen transportation project or program categories are currently funded and expected to be funded through the life of the LRTP. These programs can be divided into four major categories:

Maintenance Activities

- System Operations & Maintenance
- Road & Bridge Rehabilitation
- Trail Rehabilitation

Alternative Modes

- Transit
- Committed Trail Projects
- Trail Projects
- Other Bike/Ped and Transportation Demand Management (TDM)

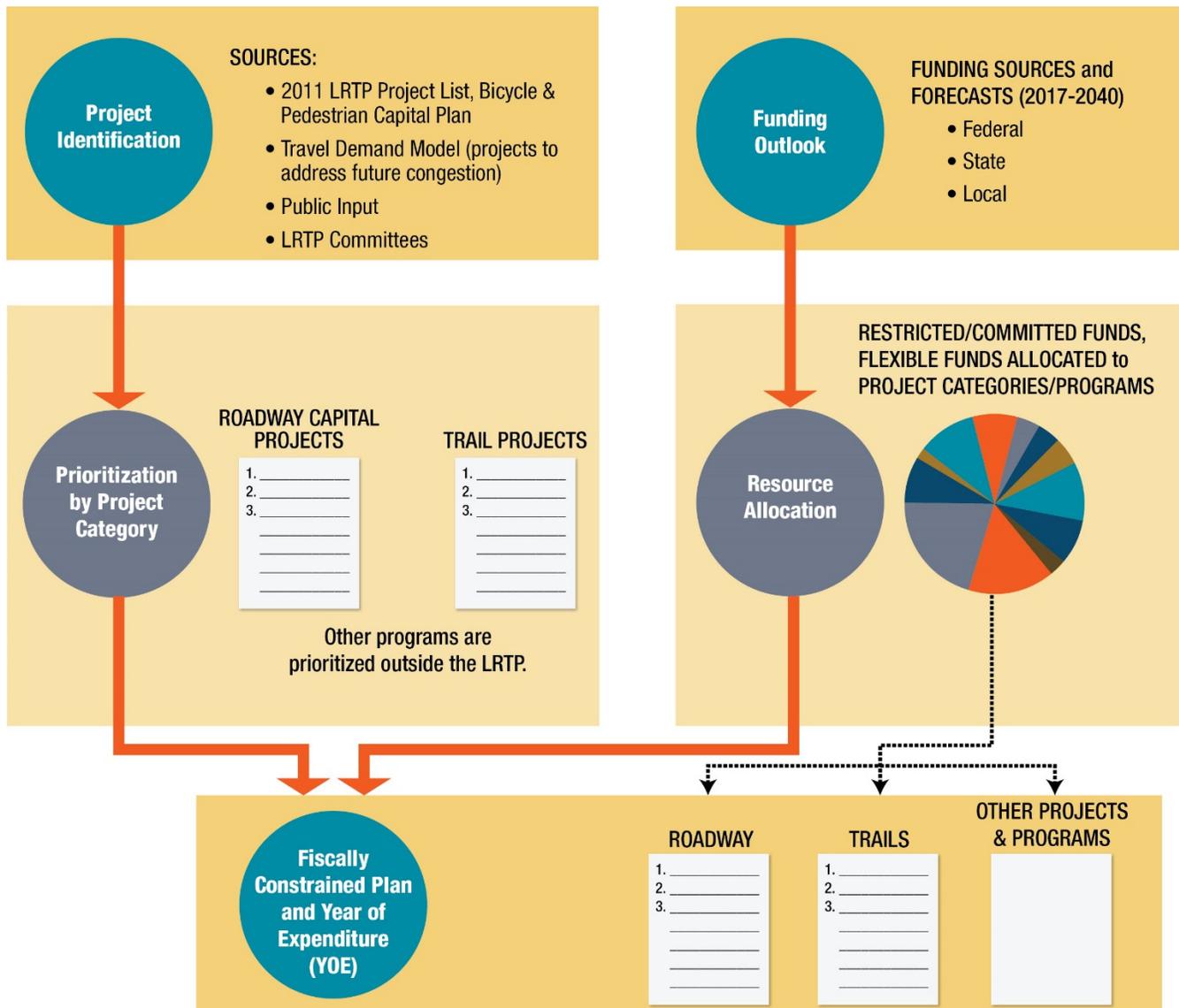
Roadway Construction Activities

- RTSD Projects
- State Train Mile Tax Projects
- Two Plus Center Turn Lane Projects
- Intersection Safety and Capacity
- Committed Capital Projects
- Developer Commitments
- Roadway Capital Projects

Other Programs

- ITS and Technology
- East Beltway Preservation
- Studies, PE, ROW, and Statutorily Required Records

Figure 30. Fiscally Constrained Plan Development



Committed and Restricted Funds

A portion of the approximately \$2.4 billion total resources described in the previous section is either restricted to certain project types or has already been committed to specific projects or programs. Approximately \$810 million (one-third of the total available revenues) is either committed or

restricted to particular program or project categories. The funding restrictions and commitments associated with each funding source are accounted for by aligning them with the associated project or program category, as shown in **Table 18**. The remaining \$1.6 billion in funding is considered “flexible” and could be used for a variety of transportation-related purposes.

Table 18. Funding Restrictions and Commitments

Funding Source	Project or Program Category	Amount (\$Millions)	Description
RTSD Funds	RTSD Projects	\$177.06	RTSD funds are fully restricted for use on railroad crossing improvements (RTSD projects).
State Train Mile Tax Funds	State Train Mile Tax Projects	\$11.05	State Train Mile Tax funds are fully restricted for use on railroad crossing improvements (State Train Mile Tax projects).
Federal Transit Administration Funds (5307 Program)	Transit	\$214.59	These three funding sources are restricted for use on transit operations and capital expenditures.
State Transit Funds			
Fares, Advertising, UNL Contract			
STP Block Grant Set Aside	Trail Projects (Committed and Future)	\$28.06	These four funding sources are restricted for use on trail projects, including those in the current CIP that are assumed to be fully funded in the LRTP. A small portion of these funds is used for trail rehabilitation.
Federal Recreational Trails			
Natural Resources District			
Trail Impact Fees			
Keno Funds	Trail Rehabilitation	\$8.29	The City of Lincoln has committed to use these funds for trail rehabilitation. A portion of this funding commitment comes from the overall trail funds (described previously).
Parks & Recreation Repair and Replacement Funds			
STPP Hazard Elimination	Intersection Safety and Capacity	\$20.11	These federal funds are restricted for use on high-priority safety improvements.
Wheel Tax	Road & Bridge Rehabilitation	\$88.69	14.86% of the Wheel Tax revenues are committed to residential rehabilitation.
	Roadway Capital Projects	\$168.66	35.14% of the Wheel Tax revenues are committed to the construction fund.
Various Roadway Funding Sources	Developer Commitments	\$25.55	Various roadway funding sources are dedicated to specific projects for which the City has made a commitment to a developer.
Various Roadway Funding Sources	Committed Capital Projects	\$66.82	The Roadway Capital Projects included in the current CIP are assumed to be fully funded in the LRTP.
Total Funding Restrictions and Commitments		\$808.86	

Resource Allocation Scenarios

Resource allocation is the process that establishes how the Lincoln MPO intends to distribute the available funding for the urban area transportation system improvements to best achieve the vision and goals of this plan.

During the second phase of community outreach (“Understanding Priorities”), community members were asked, “If you had \$100 to fund transportation improvements in Lincoln, how would you spend it?” The funding category options provided to the public were simplified to be more easily understood. With a total of 824 responses (public meeting and online survey), the top choice of the community was to maintain existing streets (refer to **Figure 31**). The

results of the community’s responses, however, reinforced the need for a balanced approach to funding transportation in Lincoln; many participants expressed that all categories are important.



Figure 31. Community Input on Funding Priorities

If you had \$100 to fund transportation improvements in Lincoln, how would you spend it?



Number of Responses = 824

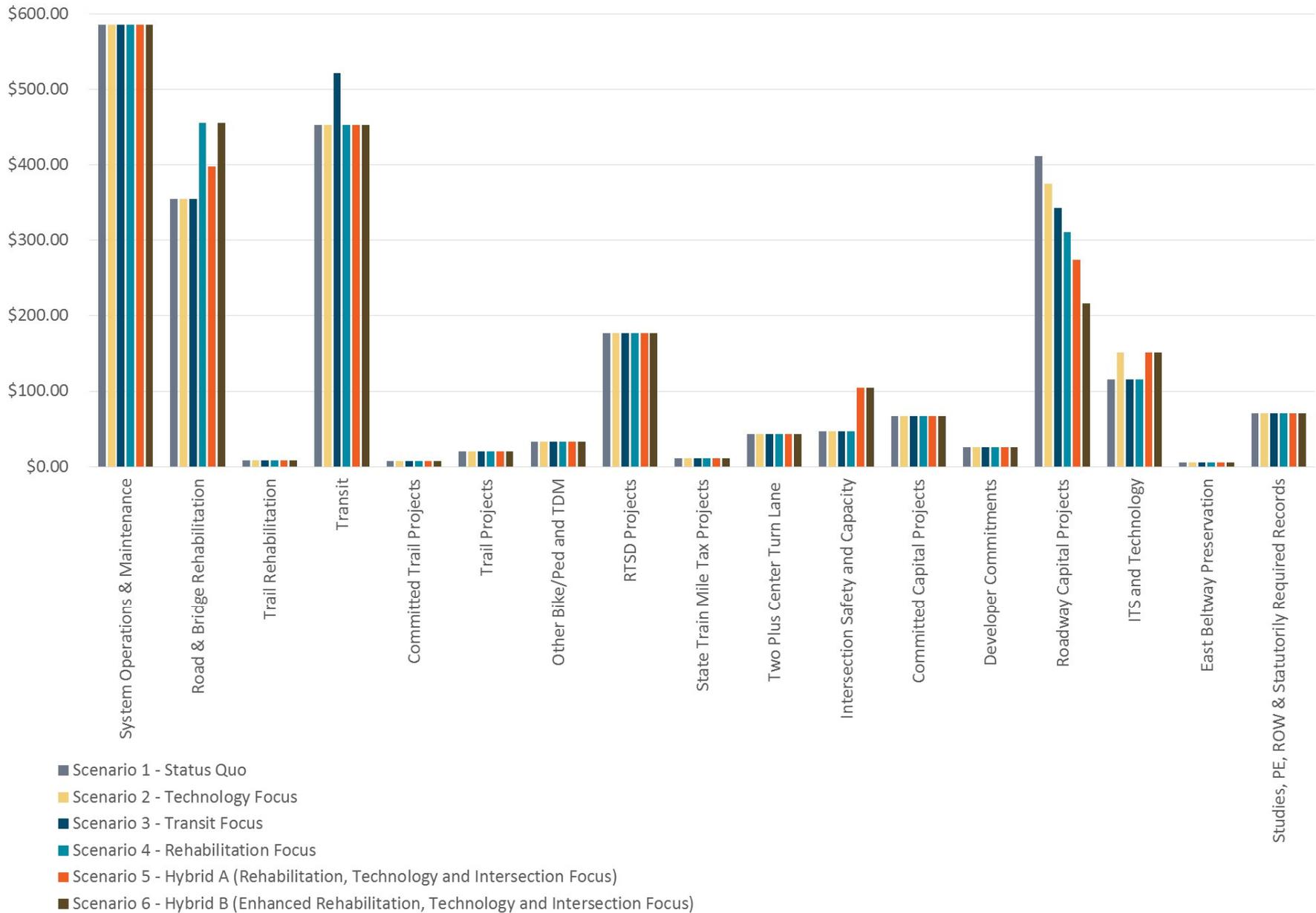
After accounting for funding restrictions and commitments, the remaining flexible funds can be used for any of the 17 project or program categories. Six resource allocation scenarios were developed by a subset of the Oversight Planning Committee with input from the full Oversight Planning Committee, the Planning Commission, and with strong consideration for the community input on funding priorities. The six resource allocation scenarios include:

- **Scenario 1: Status Quo** – Scenario 1 uses an approach consistent with the 2011 LRTP. That is, the allocation to each project and program category aligns with the previous LRTP allocation. Once each program category is allocated agreed to funding amounts, the remaining resources are then allocated to the Roadway Capital Projects program. This scenario represents a baseline for comparison purposes and was not intended to be an option to choose as the new LRTP resource allocation because it is incompatible with new information developed during the update process.
- **Scenario 2: Technology Focus** – Using the Status Quo scenario as a starting point, Scenario 2 includes \$36 million of increased funding in the ITS and Technology category to allow full implementation of the Green Light Lincoln initiative. The result is a decrease in the available funds for Roadway Capital Projects.
- **Scenario 3: Transit Focus** – Again, Scenario 3 builds on the Status Quo Scenario. Additional funds (\$69 million) are allocated to transit to allow implementation of the Phase 3 – 5 service expansions as identified in the TDP. The allocation to Roadway Capital Projects would be reduced as a result.

- **Scenario 4: Rehabilitation Focus** – Beginning with the Status Quo Scenario, Scenario 4 allocates \$101.1 million of additional funds to Road and Bridge Rehabilitation, resulting in an equivalent reduction in the Roadway Capital Projects allocation.
- **Scenario 5: Hybrid A** – Scenario 5 uses the Status Quo Scenario as a starting point but includes increased funding for three categories identified by the LRTP Oversight Committee, the Planning Commission, and the community as being high priority: ITS and Technology, Road and Bridge Rehabilitation, and Intersection Safety and Capacity. The result is an increased emphasis on maintaining the existing system and improving the efficiency of that system before allocating additional funds to major Roadway Capital Projects.
- **Scenario 6: Hybrid B** – Again, Scenario 6 uses the Status Quo Scenario as a starting point but includes increased funding for ITS and Technology, Road and Bridge Rehabilitation, and Intersection Safety and Capacity. Scenario 6 includes an *additional* increase in the Road and Bridge Rehabilitation category when compared to Hybrid A.

Figure 32 shows the total resource allocation (2017–2040) for each scenario by project or program category.

Figure 32. Resource Allocation Scenarios – Total Funding by Program (\$Millions)



Increasing Construction Costs

A project that costs \$10 million today will cost \$20 million in 2030, and over \$32 million in 2040.¹ That's more than triple the current cost. Current transportation revenues are only growing at approximately half the rate of inflation and, therefore, will not be able to keep pace with this level of project cost inflation.

Funding Objective

Based on an initial list of Roadway Capital Projects and their associated costs, the project team realized that the available funds in any of the six resource allocation scenarios would allow only a short list of Roadway Capital Projects to be completed using the assumption that adequate funding highest priorities is continued. The initial list of projects included several major six-lane widening projects (e.g., Highway 2, 84th Street, O Street, Cornhusker Highway) and other four-lane widening projects, such as Van Dorn Street, that would be costly to construct.

Highway 2 Case Study

Based on input from the LRTP Oversight Committee, the Planning Commission, and the community, the project team investigated an alternative approach to corridors such as those that were originally identified for six-lane widening. The project team wanted to gain a better understanding of the benefits of six-lane widening compared to a considerably less expensive approach of improving traffic signal coordination and improving key intersections to eliminate bottlenecks. Highway 2 from Van Dorn to 84th Street was used as a case study.

Using the LRTP 2040 TransCAD travel demand model, the project team found that widening Highway 2 to six lanes could result in the following:

- An increase in daily vehicle throughput: +6,000 vehicles per day
- A decrease in daily congestion: -300 hours per day
- An increase in average daily travel speed: + 2 mph
- A decrease in average travel time: -3 minutes per vehicle

The widening of Highway 2 would benefit Lincoln travelers; these benefits would come at the considerable cost of \$46 million (or more, depending on when the project could be constructed). The decrease in daily congestion (-300 hours) represents a roughly 20 percent reduction.

Based on research and before and after studies conducted around the country, this level of congestion reduction aligns with what might be expected by improving signal coordination and addressing corridor bottlenecks through spot improvements at intersections—a considerably more cost-effective approach.

The focus on improving traffic signal coordination and key intersections to eliminate bottlenecks would bring comparable benefits to Lincoln travelers at a much lower cost. Additionally, budgeting for these types of improvements could be easier resulting in quicker implementation and associated benefits for the users of congested corridors.

¹ Assumes a 5% annual inflation, consistent with trends over the past five years; current revenue sources are projected to increase at 2.5% per year

Recommended Resource Allocation

Based on this investigation, the limited funding availability, input from the LRTP Committees and the general public, and the potential for emerging technologies in transportation (ranging from signal coordination and traveler information to driverless cars), the project team established a recommended resource allocation for the LRTP to further maximize the system capacity. The funding plan recognizes the importance of maintaining the transportation system and making the system function as efficiently as possible, given transportation funding limitations, and includes:

- Scenario 5 – Hybrid A as the recommended resource allocation; this scenario allows increased emphasis on rehabilitation, technology, and intersection bottlenecks, while allowing construction of critical capital projects and continuation of funding for alternative modes.
- An alternative approach to major widening projects including traffic signal coordination and intersection improvements on major corridors as initial, though potentially ultimate, corridor improvements.

This funding plan is reflected in the Fiscally Constrained Plan, as documented in **Chapter 7**, and is highly compatible with the Lincoln MPO Congestion Management Process (**Appendix E**).