

6. Funding Outlook

The transportation revenues expected over the 29-year time horizon of the LRTP will not be enough to cover the cost of the transportation needs in Lincoln and Lancaster County. 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 funding limitations.

Revenue Forecasts

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

NDOT Highways Program

Funding available for NDOT's Highways Program within the Lincoln MPA is described below and detailed in **Table 6.1**.

Federal Funds

NDOT's Highways Program is funded in part by federal funds, including Surface Transportation Block Grant Program (STBG), National Highway Performance Program (NHPP), and Highway Safety Improvement Program (HSIP) funds. An estimated \$419.7 million of federal funds can be expected through 2050 for the State's program.

State Funds

State funds are used for preliminary engineering and as a local match for federal funding sources used for NDOT's Highways Program. An estimated \$128.5 million of state funds are anticipated through 2050, primarily

for asset preservation, with an infusion in 2026 specifically for the West Beltway project.

Build Nebraska Act

In 2011, the Nebraska Legislature approved, and the Governor signed, the Build Nebraska Act, which approved the use of ¼ cent of the statewide sales tax on roadway projects. A portion of this additional revenue goes to local communities (15 percent); the State uses the remainder of the revenue (85 percent) on the State Highway system. The State uses this funding source to pay for about 80 percent of the South Beltway project costs.

Table 6.1 NDOT Highways Program Funding (\$M)

| Fiscal Year | Federal Funds | State Funds | Total |
|-------------|---------------|-------------|----------|
| 2022 | \$8.21 | \$2.06 | \$10.27 |
| 2023 | \$8.35 | \$2.09 | \$10.44 |
| 2024 | \$123.74 | \$16.09 | \$139.83 |
| 2025 | \$8.64 | \$2.16 | \$10.80 |
| 2026 | \$8.78 | \$40.40 | \$49.18 |
| 2027 | \$8.93 | \$2.24 | \$11.17 |
| 2028 | \$9.08 | \$2.28 | \$11.36 |
| 2029 | \$9.24 | \$2.31 | \$11.55 |
| 2030 | \$9.40 | \$2.35 | \$11.75 |
| 2031 | \$9.56 | \$2.39 | \$11.95 |
| 2032 | \$9.72 | \$2.43 | \$12.15 |
| 2033 | \$9.88 | \$2.48 | \$12.36 |
| 2034 | \$10.05 | \$2.52 | \$12.57 |
| 2035 | \$10.22 | \$2.56 | \$12.78 |
| 2036 | \$10.40 | \$2.60 | \$13.00 |
| 2037 | \$10.57 | \$2.65 | \$13.22 |
| 2038 | \$10.75 | \$2.69 | \$13.44 |
| 2039 | \$10.93 | \$2.74 | \$13.67 |
| 2040 | \$11.12 | \$2.79 | \$13.91 |
| 2041 | \$11.31 | \$2.83 | \$14.14 |
| 2042 | \$11.50 | \$2.88 | \$14.38 |
| 2043 | \$11.70 | \$2.93 | \$14.63 |

| Fiscal Year | Federal Funds | State Funds | Total |
|--------------|-----------------|-----------------|-----------------|
| 2044 | \$11.90 | \$2.98 | \$14.88 |
| 2045 | \$12.10 | \$3.03 | \$15.13 |
| 2046 | \$12.30 | \$3.08 | \$15.38 |
| 2047 | \$12.51 | \$3.14 | \$15.65 |
| 2048 | \$12.73 | \$3.19 | \$15.92 |
| 2049 | \$12.94 | \$3.24 | \$16.18 |
| 2050 | \$13.16 | \$3.30 | \$16.46 |
| TOTAL | \$419.72 | \$128.45 | \$548.16 |

Rural Roads Program

The Rural Roads Program covers areas of Lancaster County outside the Lincoln city limits. Federal, state and local funding sources available for the Rural Roads Program are described below and detailed in **Table 6.2**.

Surface Transportation Block Grant Program

A federal funding source designated by formula for urbanized areas with a population of more than 200,000, the STBG provides resources for eligible transportation projects. Based on historic STBG funding levels and growth over time, the STBG revenue forecasts begin at \$5.8 million in 2022 and are projected to increase 3.0 percent annually. An estimated \$264 million in STBG funds can be reasonably expected through 2050. These funds can be used anywhere within the Lincoln MPA (Lancaster County).

As described in the Flexible Funds, the 2050 LRTP recommends a 70 percent (Lincoln)/ 30 percent (Lancaster County) split of STBG funds. As described in the Funding Strategy, the 2050 LRTP recommends a 70 percent (Lincoln)/ 30 percent (Lancaster County) split of STBG funds. This equates to approximately \$79 million of STBG funds for the Rural Roads Program through 2050.

Highway Safety Improvement Program

The HSIP is a core federal-aid program with the purpose of reducing traffic fatalities and serious injuries on public roads, including non-State-owned roads. Lancaster County will receive approximately \$1 million of HSIP funding in 2022, requiring a 10 percent local match. With a projected annual growth rate of 1.7 percent, an estimated \$37 million of HSIP funds can be expected for the Rural Roads Program through 2050.

Build Nebraska Act

Highway Allocation Funds include Lancaster County's portion of the Build Nebraska Act sales tax revenue through 2050. The dedication of a ¼ cent of the statewide sales tax on roadway projects will sunset in Fiscal Year 2033. If not reinstated, Lancaster County's Highway Allocation Funding would be reduced to \$305 million (compared to \$313 million).

Highway Allocation Funds

A state funding formula allocates state fuel tax collections to Lancaster County. Lancaster County uses these funds for operations & maintenance. An estimated \$9.1 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 \$313 million in Highway Allocation Funds for the Rural Roads Program through 2050.

Federal Funds Purchase Program

Nebraska Legislative Bill (LB98) established the Federal Funds Purchase Program (FFPP) to provide a way for NDOT to purchase the federal funds used by local agencies in exchange for state cash. State dollars allow local agencies to tailor projects to better meet their needs. Lancaster County uses these funds for bridges (33 percent) and highways (67 percent). An estimated \$460,000 in annual FFPP funds are anticipated, with a 1.7 percent annual growth, resulting in \$17 million for the Rural Roads Program through 2050.

General Revenues (Lancaster County)

Property tax, sales tax, and other sources make up the general fund, which is used for general operating functions of Lancaster County. This local funding source is used for transportation uses within the Rural Roads Program, including road and bridges, pavement maintenance & pipes, and operations & maintenance. Based on historic general fund transfers to the Rural Roads Program, an estimated \$11.3 million is anticipated in 2022; with an assumed 1.2 percent annual growth, in line with anticipated population growth. The County's general revenues are estimated to contribute

approximately \$388 million in Rural Roads Program funding through 2050. These funds are used as the local match (25 percent) for the County's portion of the Highway Allocation Funds.

Keno Funds

Lancaster County uses a portion of the Keno lottery funds for land acquisition and preservation for the East Beltway corridor. Current Keno funding levels for the East Beltway corridor preservation are estimated at \$1 million per year over the first 20 years of the plan, resulting in an estimated \$20 million of Keno funds for East Beltway corridor preservation through 2050.

Table 6.2 Rural Roads Program Funding (\$M)

| Fiscal Year | Federal Revenue | | State Revenue | | Local Revenue | | Total |
|-------------|-----------------|--------|--------------------|--------|------------------|--------|---------|
| | STBG | HSIP | Highway Allocation | FFPP | General Revenues | Keno | |
| 2022 | \$1.75 | \$1.00 | \$9.10 | \$0.46 | \$11.28 | \$1.00 | \$24.59 |
| 2023 | \$1.80 | \$1.02 | \$9.21 | \$0.47 | \$11.41 | \$1.00 | \$24.91 |
| 2024 | \$1.86 | \$1.03 | \$9.32 | \$0.48 | \$11.55 | \$1.00 | \$25.24 |
| 2025 | \$1.91 | \$1.05 | \$9.43 | \$0.48 | \$11.69 | \$1.00 | \$25.56 |
| 2026 | \$1.97 | \$1.07 | \$9.54 | \$0.49 | \$11.83 | \$1.00 | \$25.90 |
| 2027 | \$2.03 | \$1.09 | \$9.66 | \$0.50 | \$11.97 | \$1.00 | \$26.25 |
| 2028 | \$2.09 | \$1.11 | \$9.78 | \$0.51 | \$12.11 | \$1.00 | \$26.60 |
| 2029 | \$2.15 | \$1.13 | \$9.89 | \$0.52 | \$12.26 | \$1.00 | \$26.95 |
| 2030 | \$2.22 | \$1.14 | \$10.01 | \$0.53 | \$12.40 | \$1.00 | \$27.30 |
| 2031 | \$2.28 | \$1.16 | \$10.13 | \$0.54 | \$12.55 | \$1.00 | \$27.66 |
| 2032 | \$2.35 | \$1.18 | \$10.25 | \$0.54 | \$12.70 | \$1.00 | \$28.02 |
| 2033 | \$2.42 | \$1.20 | \$10.38 | \$0.55 | \$12.86 | \$1.00 | \$28.41 |
| 2034 | \$2.49 | \$1.22 | \$10.50 | \$0.56 | \$13.01 | \$1.00 | \$28.78 |
| 2035 | \$2.57 | \$1.25 | \$10.63 | \$0.57 | \$13.17 | \$1.00 | \$29.19 |
| 2036 | \$2.65 | \$1.27 | \$10.75 | \$0.58 | \$13.32 | \$1.00 | \$29.57 |
| 2037 | \$2.72 | \$1.29 | \$10.88 | \$0.59 | \$13.48 | \$1.00 | \$29.96 |
| 2038 | \$2.81 | \$1.31 | \$11.01 | \$0.60 | \$13.65 | \$1.00 | \$30.38 |
| 2039 | \$2.89 | \$1.33 | \$11.15 | \$0.61 | \$13.81 | \$1.00 | \$30.79 |
| 2040 | \$2.98 | \$1.35 | \$11.28 | \$0.62 | \$13.98 | \$1.00 | \$31.21 |

| Fiscal Year | Federal Revenue | | State Revenue | | Local Revenue | | Total |
|--------------|-----------------|----------------|--------------------|----------------|------------------|----------------|-----------------|
| | STBG | HSIP | Highway Allocation | FFPP | General Revenues | Keno | |
| 2041 | \$3.07 | \$1.38 | \$11.41 | \$0.63 | \$14.14 | \$1.00 | \$31.63 |
| 2042 | \$3.16 | \$1.40 | \$11.55 | \$0.64 | \$14.31 | | \$31.06 |
| 2043 | \$3.25 | \$1.42 | \$11.69 | \$0.66 | \$14.48 | | \$31.50 |
| 2044 | \$3.35 | \$1.45 | \$11.83 | \$0.67 | \$14.66 | | \$31.96 |
| 2045 | \$3.45 | \$1.47 | \$11.97 | \$0.68 | \$14.83 | | \$32.40 |
| 2046 | \$3.56 | \$1.50 | \$12.12 | \$0.69 | \$15.01 | | \$32.88 |
| 2047 | \$3.66 | \$1.52 | \$12.26 | \$0.70 | \$15.19 | | \$33.33 |
| 2048 | \$3.77 | \$1.55 | \$12.41 | \$0.71 | \$15.37 | | \$33.81 |
| 2049 | \$3.89 | \$1.58 | \$12.56 | \$0.73 | \$15.56 | | \$34.32 |
| 2050 | \$4.00 | \$1.60 | \$12.71 | \$0.74 | \$15.75 | | \$34.80 |
| TOTAL | \$79.09 | \$37.09 | \$313.42 | \$17.06 | \$388.33 | \$20.00 | \$854.99 |

Urban Roads Program

The Urban Roads Program covers areas of the Lincoln MPA within the urbanized area of Lincoln. Federal, state and local funding sources available for the Urban Roads Program are described below and detailed in **Table 6.3**.

Surface Transportation Block Grant Program

As described in Rural Roads Program, STBG is a federal funding source that can be used for various eligible transportation projects. Based on the recommended 70 percent (Lincoln)/30 percent (Lancaster County) split of STBG funds, the Urban Roads Program can expect approximately \$184 million of STBG funds through 2050.

Highway Safety Improvement Program

The HSIP is a core federal-aid program with the purpose to reduce traffic fatalities and serious injuries on public roads, including non-State-owned roads. Based on historic HSIP funding levels, the HSIP revenue

forecasts begin at \$700,000 in 2022, and this funding requires a 10 percent local match. With a projected annual growth rate of 1.7 percent, an estimated \$26 million of HSIP funds can be expected for the Urban Roads Program through 2050.

Coronavirus Response and Relief Supplemental Appropriations Act, 2021

This federal appropriations act, commonly referred to as the COVID-19 Relief Bill, infused formula distributed federal funding into local communities to address needs and funding shortfalls associated with COVID-19. The Lincoln MPO received a one-time \$2.5 million allocation (reduced to \$1.4 million due to partial rescission by the national debt ceiling bill passed in 2023) that will be used for specific system preservation projects.

Highway Allocation Funds

A state funding formula allocates state fuel tax collections to the City of Lincoln. This amount is distributed independently of the fuel tax allocation to the Rural Roads Program. These funds are designated for

Build Nebraska Act

The Highway Allocation Funds include Lincoln's portion of the Build Nebraska Act sales tax revenue through 2050. The dedication of a ¼ cent of the statewide sales tax on roadway projects will sunset in Fiscal Year 2033. If not reinstated, Lincoln's Highway Allocation Funding would be reduced to \$934 million (compared to \$956 million).

projects throughout the City to rehabilitate, construct, and improve streets, intersections, interchanges, sidewalks, bikeways and trails, safety projects, ITS infrastructure, and landscaping. These funds are also used in the study, design, and acquisition of easements or ROW to support public projects. An estimated \$27.8 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 \$956 million in Highway Allocation Funds through 2050.

Highway Allocation Bonds

The City of Lincoln issued general obligation highway allocation bonds in the early 2000s, and again in 2021. The revenue forecasts

anticipate an additional bond issuance in 2022. The two recent bond issuances will provide a total of \$25.26 million in funding in years 2022–2024. The bonds are used to fund preservation (\$15.26 million) and growth projects (\$10 million). Annual payment on these bonds is paid with the Highway Allocation Funds. Payment of the two older bonds will be complete in 2023 and 2027, and payment of the two recent bonds will be complete in 2036 and 2037. These bond payments are removed from the available Highway Allocation Funds in 2022–2037 (as shown in **Table 6.3**).

Beginning in 2038, the full allotment of Highway Allocation Funds will be available to the Urban Roads Program. The expected Highway Allocation funding through 2050 (net of the bond funding and payments) is estimated to be \$932 million.

Federal Funds Purchase Program

The FFPP allows NDOT to purchase the federal funds used by local agencies in exchange for state cash. State dollars allow local agencies to tailor projects to better



meet their needs. Lincoln uses the funds exclusively for bridge projects. An estimated \$280,000 in annual FFPP funds are anticipated, with a 1.7 percent annual growth, resulting in \$10.5 million for the Urban Roads Program through 2050.

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 revenue forecasts. 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 \$810 million in transportation funding through 2050.



Lincoln is doing more to preserve and maintain our streets. As we grow, keeping pace with the needs of both our existing and new streets is vital. Now is the time to invest more in the transportation system to keep Lincoln on the move.

Lincoln on the Move

Lincoln on the Move (LOTM) is a six-year initiative to improve the City's streets through a ¼ cent sales tax. Revenues from the sales tax, which was approved by voters in 2019, must be applied to specific uses:

- **Existing Arterial and Neighborhood Streets:** The largest portion of the sales tax (73.5 percent) is dedicated to rehabilitating existing arterial and neighborhood streets.
- **Growth Projects:** A portion of the sales tax (25 percent) is dedicated to funding the design, construction, and ROW acquisition of streets that support community growth.
- **RTSD:** A small portion of the sales tax (1.5 percent) is dedicated to joint projects with the Railroad Transportation Safety District.

The revenue forecasts include \$13 million annually of LOTM sales tax funding in years 2022 through 2025, totaling \$52 million in the first four years of the plan.

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 \$4.2 million annually and are projected to increase 1.2 percent annually, which is in line with overall population growth, resulting in an estimated \$140 million in impact fee revenues for arterial streets over the life of the plan.

General Revenues (Lincoln)

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. General funds are used for transportation uses including the Urban Roads Program, transit operations, sidewalk and trail rehabilitation. Based on historic general fund transfers to the Urban Roads Program, an estimated \$2.36 million is anticipated in 2022; with an assumed 3 percent annual growth to account for economic growth in Lincoln. The City's general revenues are estimated to contribute approximately \$123 million in road program funding through 2050.



Table 6.3 Urban Roads Program Funding (\$M)

| Fiscal Year | Federal Revenue | | | State Revenue | | Local Revenue | | | | Total |
|--------------|-----------------|----------------|---------------|---|----------------|-----------------|----------------|-----------------|------------------|-------------------|
| | STBG | HSIP | COVID | Highway Allocation (Plus Bonds, Less Bond Payment) | FFPP | Wheel Tax | LOTM | Impact Fees | General Revenues | |
| 2022 | \$4.08 | \$0.70 | | \$30.32 | \$0.28 | \$19.16 | \$13.00 | \$4.20 | \$2.36 | \$74.10 |
| 2023 | \$4.20 | \$0.71 | \$1.44 | \$29.63 | \$0.29 | \$19.45 | \$13.00 | \$4.20 | \$2.46 | \$76.45 |
| 2024 | \$4.33 | \$0.72 | | \$29.98 | \$0.29 | \$19.74 | \$13.00 | \$4.20 | \$2.56 | \$74.84 |
| 2025 | \$4.46 | \$0.74 | | \$24.96 | \$0.30 | \$20.04 | \$13.00 | \$4.20 | \$2.67 | \$70.36 |
| 2026 | \$4.59 | \$0.75 | | \$25.31 | \$0.30 | \$21.60 | | \$4.25 | \$2.78 | \$59.59 |
| 2027 | \$4.73 | \$0.76 | | \$25.66 | \$0.31 | \$21.93 | | \$4.30 | \$2.90 | \$60.58 |
| 2028 | \$4.87 | \$0.77 | | \$27.84 | \$0.31 | \$22.26 | | \$4.35 | \$3.01 | \$63.42 |
| 2029 | \$5.02 | \$0.79 | | \$28.20 | \$0.32 | \$22.59 | | \$4.41 | \$3.13 | \$64.45 |
| 2030 | \$5.17 | \$0.80 | | \$28.56 | \$0.33 | \$22.93 | | \$4.46 | \$3.26 | \$65.50 |
| 2031 | \$5.32 | \$0.81 | | \$28.93 | \$0.33 | \$24.64 | | \$4.51 | \$3.38 | \$67.93 |
| 2032 | \$5.48 | \$0.83 | | \$29.30 | \$0.34 | \$25.01 | | \$4.57 | \$3.52 | \$69.04 |
| 2033 | \$5.65 | \$0.84 | | \$29.67 | \$0.34 | \$25.39 | | \$4.62 | \$3.65 | \$70.17 |
| 2034 | \$5.82 | \$0.86 | | \$30.05 | \$0.35 | \$25.77 | | \$4.68 | \$3.79 | \$71.31 |
| 2035 | \$5.99 | \$0.87 | | \$30.44 | \$0.35 | \$26.15 | | \$4.73 | \$3.93 | \$72.48 |
| 2036 | \$6.17 | \$0.89 | | \$30.83 | \$0.36 | \$28.02 | | \$4.79 | \$4.08 | \$75.14 |
| 2037 | \$6.36 | \$0.90 | | \$32.42 | \$0.37 | \$28.44 | | \$4.85 | \$4.23 | \$77.56 |
| 2038 | \$6.55 | \$0.92 | | \$33.61 | \$0.37 | \$28.87 | | \$4.90 | \$4.39 | \$79.61 |
| 2039 | \$6.75 | \$0.93 | | \$34.01 | \$0.38 | \$29.30 | | \$4.96 | \$4.55 | \$80.88 |
| 2040 | \$6.95 | \$0.95 | | \$34.42 | \$0.38 | \$29.74 | | \$5.02 | \$4.72 | \$82.18 |
| 2041 | \$7.16 | \$0.96 | | \$34.83 | \$0.39 | \$31.77 | | \$5.08 | \$4.89 | \$85.09 |
| 2042 | \$7.37 | \$0.98 | | \$35.25 | \$0.40 | \$32.25 | | \$5.14 | \$5.07 | \$86.46 |
| 2043 | \$7.59 | \$1.00 | | \$35.68 | \$0.40 | \$32.73 | | \$5.21 | \$5.25 | \$87.86 |
| 2044 | \$7.82 | \$1.01 | | \$36.10 | \$0.41 | \$33.22 | | \$5.27 | \$5.44 | \$89.28 |
| 2045 | \$8.05 | \$1.03 | | \$36.54 | \$0.42 | \$33.72 | | \$5.33 | \$5.63 | \$90.72 |
| 2046 | \$8.30 | \$1.05 | | \$36.97 | \$0.43 | \$35.93 | | \$5.40 | \$5.83 | \$93.91 |
| 2047 | \$8.54 | \$1.07 | | \$37.42 | \$0.43 | \$36.47 | | \$5.46 | \$6.04 | \$95.43 |
| 2048 | \$8.80 | \$1.09 | | \$37.87 | \$0.44 | \$37.02 | | \$5.53 | \$6.25 | \$96.99 |
| 2049 | \$9.07 | \$1.10 | | \$38.32 | \$0.45 | \$37.58 | | \$5.59 | \$6.46 | \$98.57 |
| 2050 | \$9.34 | \$1.12 | | \$38.78 | \$0.46 | \$38.14 | | \$5.66 | \$6.69 | \$100.18 |
| TOTAL | \$184.54 | \$25.96 | \$2.51 | \$931.91 | \$10.53 | \$809.85 | \$52.00 | \$139.87 | \$122.94 | \$2,280.11 |

Rail Crossing Program

Federal, state, and local revenues are available to improve railroad crossings throughout the region, as described below and detailed in **Table 6.4**.

Rail Hazard Elimination

This federal funding source (a subset of the STBG) provides resources for safety improvements on public roads, railroad crossings, public transportation facilities, bicycle and pedestrian pathways, and trails. Rail Hazard Elimination funding varies greatly year to year; the forecasts represent average anticipated revenues. A higher amount is expected in the first seven years of the plan, specifically for the 33rd and Cornhusker project. The annual revenue forecasts drop off starting in 2029. Growth in this funding source is assumed to be 1.7 percent per year. An estimated \$37 million in Rail Hazard Elimination funds will be available to improve railroad crossings over the 29-year time horizon of the L RTP.

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. State Train Mile Tax funding is highly variable year to year; the forecast revenues represent an average over time. A higher amount is expected in the first seven years of the plan, specifically for the 33rd and Cornhusker project. The annual revenue forecasts drop off starting in 2029. Growth in this funding source is assumed to align with projected freight growth of 1.2 percent per year. An estimated \$9 million in State Train Mile Tax will be available to improve railroad crossings over the 29-year time horizon of the L RTP.

Table 6.4 Rail Crossing Program Funds (\$M)

| Fiscal Year | Rail Hazard Elimination | State Train Mile Tax | RTSD | Total |
|--------------|-------------------------|----------------------|-----------------|-----------------|
| 2022 | \$2.72 | \$0.68 | \$4.62 | \$8.02 |
| 2023 | \$2.77 | \$0.69 | \$4.74 | \$8.20 |
| 2024 | \$2.81 | \$0.70 | \$4.86 | \$8.37 |
| 2025 | \$2.86 | \$0.70 | \$4.98 | \$8.54 |
| 2026 | \$2.91 | \$0.71 | \$5.10 | \$8.72 |
| 2027 | \$2.96 | \$0.72 | \$5.23 | \$8.91 |
| 2028 | \$3.01 | \$0.73 | \$5.36 | \$9.10 |
| 2029 | \$0.64 | \$0.16 | \$5.49 | \$6.29 |
| 2030 | \$0.65 | \$0.16 | \$5.63 | \$6.44 |
| 2031 | \$0.66 | \$0.16 | \$5.77 | \$6.59 |
| 2032 | \$0.67 | \$0.17 | \$5.91 | \$6.75 |
| 2033 | \$0.68 | \$0.17 | \$6.06 | \$6.91 |
| 2034 | \$0.70 | \$0.17 | \$6.21 | \$7.08 |
| 2035 | \$0.71 | \$0.17 | \$6.37 | \$7.25 |
| 2036 | \$0.72 | \$0.17 | \$6.52 | \$7.41 |
| 2037 | \$0.73 | \$0.18 | \$6.69 | \$7.60 |
| 2038 | \$0.74 | \$0.18 | \$6.85 | \$7.77 |
| 2039 | \$0.76 | \$0.18 | \$7.02 | \$7.96 |
| 2040 | \$0.77 | \$0.18 | \$7.20 | \$8.15 |
| 2041 | \$0.78 | \$0.18 | \$7.38 | \$8.34 |
| 2042 | \$0.80 | \$0.19 | \$7.56 | \$8.55 |
| 2043 | \$0.81 | \$0.19 | \$7.75 | \$8.75 |
| 2044 | \$0.82 | \$0.19 | \$7.94 | \$8.95 |
| 2045 | \$0.84 | \$0.19 | \$8.14 | \$9.17 |
| 2046 | \$0.85 | \$0.20 | \$8.34 | \$9.39 |
| 2047 | \$0.87 | \$0.20 | \$8.55 | \$9.62 |
| 2048 | \$0.88 | \$0.20 | \$8.76 | \$9.84 |
| 2049 | \$0.90 | \$0.20 | \$8.98 | \$10.08 |
| 2050 | \$0.91 | \$0.21 | \$9.21 | \$10.33 |
| TOTAL | \$36.94 | \$8.94 | \$193.22 | \$239.10 |

Railroad Transportation Safety District

This local funding source is generated by a countywide public entity, the RTSD, which has taxing authority to levy a property tax. RTSD 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 estimated at \$4.52 million for capital projects and \$0.10 million for operations & maintenance, with annual growth rates of 2.5 percent and 2.0 percent, respectively, resulting in an estimated \$189 million in capital funds and \$4 million in operations & maintenance funds through 2050.

Transit Program

The transit funding sources are described below, with **Table 6.5** detailing the estimated year-by-year revenue forecasts.

Federal Transit Administration Funds (5307, 5309, 5337, 5339)

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 \$4 million in FTA funding (5307, 5309, 5337, and 5339 funds) for transit capital and operations. It is assumed that these federal funding sources 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 \$148 million in FTA funding for StarTran is expected through 2050.

FTA 5310 Funds

The Section 5310 Enhanced Mobility program provides an annual apportionment to be used within the Lincoln urban area. In 2013, the Governor of Nebraska named NDOT as the Designated Recipient to administer the

Section 5310 program in the Lincoln MPO urban area. NDOT receives and reviews the applications for the Section 5310 program, and the Lincoln MPO annually amends the TIP to include the awarded projects. Currently, funding levels are approximately \$236,000 per year. It is assumed that this FTA funding source will continue to be available and will grow at a rate of 1.7 percent annually for a total of nearly \$9 million through 2050. These funds require a local match of 20 percent for capital projects and 50 percent for operating assistance. Typically, 5310 applicants are hospitals, non-profit organizations, and City departments such as Aging Partners and Parks and Recreation. The local match for these federal funds come from sources outside the transportation revenues identified in the LRTP.

FTA 5311 Funds

The FTA 5311 Formula Grants for Rural Areas provides capital, planning, and operating assistance to support public transportation in rural areas. Currently, funding levels are approximately \$86,000 per year. It is assumed that this FTA funding source will continue to be available and will grow at a rate of 1.7 percent annually for a total of approximately \$3 million through 2050. These funds require a local match of 20 percent for capital projects and 50 percent for operating assistance. Lancaster County is the typical applicant of 5311 funds, and the local match comes from sources outside the transportation revenues identified in the LRTP.



State Transit Funds

State revenues include any State subsidy received in aid of public transit operations and capital expenditures. Currently, funding levels are roughly \$1.3 million per year. It is assumed that this State funding source will continue to be available and will grow at a rate of 3 percent annually for a total of nearly \$59 million through 2050.

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 and on expected fare increases. Advertising and miscellaneous funding are expected to continue based on historical trends. Combined, a 4.7 percent annual

increase is anticipated. The contract with the University of Nebraska provides funding to the transit system to provide transit service between the City Campus and East Campus using student fees. In total, these funding sources are forecast to contribute approximately \$196 million in transit funding over the life of the plan.

General Revenues (Lincoln)

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 \$339 million in general funds will be available for transit through 2050.



Table 6.5 Transit Program Funds (\$M)

| Fiscal Year | Federal Revenue | | | State Revenue | Local Revenue | | Total |
|--------------|------------------------------------|------------------|------------------|---------------------|----------------------------------|------------------|-----------------|
| | FTA Funds (5307, 5309, 5337, 5339) | FTA Funds (5310) | FTA Funds (5311) | State Transit Funds | Fares, Advertising, UNL Contract | General Revenues | |
| 2022 | \$4.00 | \$0.24 | \$0.09 | \$1.30 | \$3.30 | \$7.50 | \$16.42 |
| 2023 | \$4.07 | \$0.24 | \$0.09 | \$1.34 | \$3.46 | \$7.73 | \$16.91 |
| 2024 | \$4.14 | \$0.24 | \$0.09 | \$1.38 | \$3.62 | \$7.96 | \$17.42 |
| 2025 | \$4.21 | \$0.25 | \$0.09 | \$1.42 | \$3.79 | \$8.20 | \$17.95 |
| 2026 | \$4.28 | \$0.25 | \$0.09 | \$1.46 | \$3.97 | \$8.44 | \$18.49 |
| 2027 | \$4.35 | \$0.26 | \$0.09 | \$1.51 | \$4.15 | \$8.69 | \$19.06 |
| 2028 | \$4.43 | \$0.26 | \$0.10 | \$1.55 | \$4.35 | \$8.96 | \$19.64 |
| 2029 | \$4.50 | \$0.27 | \$0.10 | \$1.60 | \$4.55 | \$9.22 | \$20.24 |
| 2030 | \$4.58 | \$0.27 | \$0.10 | \$1.65 | \$4.77 | \$9.50 | \$20.86 |
| 2031 | \$4.66 | \$0.28 | \$0.10 | \$1.70 | \$4.99 | \$9.79 | \$21.50 |
| 2032 | \$4.73 | \$0.28 | \$0.10 | \$1.75 | \$5.22 | \$10.08 | \$22.17 |
| 2033 | \$4.81 | \$0.28 | \$0.10 | \$1.80 | \$5.47 | \$10.38 | \$22.85 |
| 2034 | \$4.90 | \$0.29 | \$0.11 | \$1.85 | \$5.73 | \$10.69 | \$23.56 |
| 2035 | \$4.98 | \$0.29 | \$0.11 | \$1.91 | \$6.00 | \$11.01 | \$24.30 |
| 2036 | \$5.06 | \$0.30 | \$0.11 | \$1.97 | \$6.28 | \$11.34 | \$25.06 |
| 2037 | \$5.15 | \$0.30 | \$0.11 | \$2.03 | \$6.57 | \$11.68 | \$25.85 |
| 2038 | \$5.24 | \$0.31 | \$0.11 | \$2.09 | \$6.88 | \$12.04 | \$26.66 |
| 2039 | \$5.33 | \$0.31 | \$0.11 | \$2.15 | \$7.20 | \$12.40 | \$27.51 |
| 2040 | \$5.42 | \$0.32 | \$0.12 | \$2.21 | \$7.54 | \$12.77 | \$28.38 |
| 2041 | \$5.51 | \$0.33 | \$0.12 | \$2.28 | \$7.90 | \$13.15 | \$29.28 |
| 2042 | \$5.60 | \$0.33 | \$0.12 | \$2.35 | \$8.27 | \$13.55 | \$30.22 |
| 2043 | \$5.70 | \$0.34 | \$0.12 | \$2.42 | \$8.66 | \$13.95 | \$31.19 |
| 2044 | \$5.80 | \$0.34 | \$0.12 | \$2.49 | \$9.06 | \$14.37 | \$32.19 |
| 2045 | \$5.89 | \$0.35 | \$0.13 | \$2.57 | \$9.49 | \$14.80 | \$33.23 |
| 2046 | \$5.99 | \$0.35 | \$0.13 | \$2.64 | \$9.94 | \$15.25 | \$34.30 |
| 2047 | \$6.10 | \$0.36 | \$0.13 | \$2.72 | \$10.40 | \$15.70 | \$35.42 |
| 2048 | \$6.20 | \$0.37 | \$0.13 | \$2.80 | \$10.89 | \$16.17 | \$36.57 |
| 2049 | \$6.31 | \$0.37 | \$0.14 | \$2.89 | \$11.40 | \$16.66 | \$37.77 |
| 2050 | \$6.41 | \$0.38 | \$0.14 | \$2.97 | \$11.94 | \$17.16 | \$39.00 |
| TOTAL | \$148.34 | \$8.76 | \$3.19 | \$58.78 | \$195.78 | \$339.14 | \$754.00 |

Trails, Bicycle, and Pedestrian Program

The Trails, Bicycle, and Pedestrian Program funding sources are described below, with **Table 6.6** detailing the estimated year-by-year revenue forecasts.

Transportation Alternatives Set Aside

This federal funding source 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 receives approximately \$390,000 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 \$14 million in funding can reasonably be expected through 2050.

Carbon Reduction Program

This federal funding source provides resources for transportation-related activities designed to reduce transportation emissions, defined as carbon dioxide (CO₂) emissions from on-road highway sources. A 20 percent local match is typically required. The City of Lincoln receives approximately \$840,000 per year. This funding source is expected to continue to be available and is assumed to grow at 1.7 percent annually, consistent with the historic federal funding growth rate. Approximately \$31 million in funding can reasonably be expected through 2050.

Lower Platte South Natural Resources District

These funds include a state subsidy received through the Lower Platte South National Resources District (NRD) to aid the construction of the local multiuse 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 \$100,000 annually through the NRD'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 \$4.2 million in funding through 2050.

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 generates approximately \$70,000 annually and is projected to increase at 1.2 percent annually, which is in line with overall population growth. The result is an estimated \$2.3 million in Trail Impact Fee revenues for trails over the life of the plan. These funds are frequently used as local match for Transportation Alternatives Set Aside.

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 \$6.9 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 local trails. Current Keno funding levels for the Trails Program are roughly \$200,000 per year. With an annual growth rate of 1.2 percent (matching the overall population growth), an estimated \$6.9 million in Keno funds will be available through 2050.

General Revenues (Lincoln)

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 trail rehabilitation and sidewalk rehabilitation. The level of general revenues allocated to trail rehabilitation is assumed to remain consistent with historic levels and to grow at 3 percent per year. In total, an estimated \$4.5 million in general funds will be available for trail rehabilitation through 2050. The revenue forecasts also assume \$1 million per year general fund transfer for sidewalk rehabilitation, resulting in \$29 million in available funding for sidewalk rehabilitation.

Table 6.6 Trails, Bicycle and Pedestrian Program Funds (\$M)

| Fiscal Year | Transportation Alternatives | Carbon Reduction Program | Lower Platte NRD | Impact Fees | Private Contributions | Keno | General Revenues – Trail Rehab | General Revenues – Sidewalk Rehab | Total |
|--------------|-----------------------------|--------------------------|------------------|---------------|-----------------------|---------------|--------------------------------|-----------------------------------|----------------|
| 2022 | \$0.39 | \$0.84 | \$0.10 | \$0.07 | \$0.20 | \$0.20 | \$0.10 | \$1.00 | \$2.90 |
| 2023 | \$0.40 | \$0.85 | \$0.10 | \$0.07 | \$0.20 | \$0.20 | \$0.10 | \$1.00 | \$2.92 |
| 2024 | \$0.40 | \$0.87 | \$0.11 | \$0.07 | \$0.20 | \$0.20 | \$0.11 | \$1.00 | \$2.96 |
| 2025 | \$0.41 | \$0.88 | \$0.11 | \$0.07 | \$0.21 | \$0.21 | \$0.11 | \$1.00 | \$3.00 |
| 2026 | \$0.42 | \$0.90 | \$0.11 | \$0.07 | \$0.21 | \$0.21 | \$0.11 | \$1.00 | \$3.03 |
| 2027 | \$0.42 | \$0.91 | \$0.11 | \$0.07 | \$0.21 | \$0.21 | \$0.12 | \$1.00 | \$3.05 |
| 2028 | \$0.43 | \$0.93 | \$0.12 | \$0.07 | \$0.21 | \$0.21 | \$0.12 | \$1.00 | \$3.09 |
| 2029 | \$0.44 | \$0.95 | \$0.12 | \$0.07 | \$0.22 | \$0.22 | \$0.12 | \$1.00 | \$3.14 |
| 2030 | \$0.45 | \$0.96 | \$0.12 | \$0.07 | \$0.22 | \$0.22 | \$0.13 | \$1.00 | \$3.17 |
| 2031 | \$0.45 | \$0.98 | \$0.12 | \$0.08 | \$0.22 | \$0.22 | \$0.13 | \$1.00 | \$3.20 |
| 2032 | \$0.46 | \$0.99 | \$0.13 | \$0.08 | \$0.23 | \$0.23 | \$0.13 | \$1.00 | \$3.25 |
| 2033 | \$0.47 | \$1.01 | \$0.13 | \$0.08 | \$0.23 | \$0.23 | \$0.14 | \$1.00 | \$3.29 |
| 2034 | \$0.48 | \$1.03 | \$0.13 | \$0.08 | \$0.23 | \$0.23 | \$0.14 | \$1.00 | \$3.32 |
| 2035 | \$0.49 | \$1.05 | \$0.14 | \$0.08 | \$0.23 | \$0.23 | \$0.15 | \$1.00 | \$3.37 |
| 2036 | \$0.49 | \$1.06 | \$0.14 | \$0.08 | \$0.24 | \$0.24 | \$0.15 | \$1.00 | \$3.40 |
| 2037 | \$0.50 | \$1.08 | \$0.14 | \$0.08 | \$0.24 | \$0.24 | \$0.16 | \$1.00 | \$3.44 |
| 2038 | \$0.51 | \$1.10 | \$0.15 | \$0.08 | \$0.24 | \$0.24 | \$0.16 | \$1.00 | \$3.48 |
| 2039 | \$0.52 | \$1.12 | \$0.15 | \$0.08 | \$0.24 | \$0.24 | \$0.17 | \$1.00 | \$3.52 |
| 2040 | \$0.53 | \$1.14 | \$0.16 | \$0.08 | \$0.25 | \$0.25 | \$0.17 | \$1.00 | \$3.58 |
| 2041 | \$0.54 | \$1.16 | \$0.16 | \$0.08 | \$0.25 | \$0.25 | \$0.18 | \$1.00 | \$3.62 |
| 2042 | \$0.55 | \$1.18 | \$0.16 | \$0.09 | \$0.25 | \$0.25 | \$0.18 | \$1.00 | \$3.66 |
| 2043 | \$0.56 | \$1.20 | \$0.17 | \$0.09 | \$0.26 | \$0.26 | \$0.19 | \$1.00 | \$3.73 |
| 2044 | \$0.57 | \$1.22 | \$0.17 | \$0.09 | \$0.26 | \$0.26 | \$0.19 | \$1.00 | \$3.76 |
| 2045 | \$0.57 | \$1.24 | \$0.18 | \$0.09 | \$0.26 | \$0.26 | \$0.20 | \$1.00 | \$3.80 |
| 2046 | \$0.58 | \$1.26 | \$0.18 | \$0.09 | \$0.27 | \$0.27 | \$0.20 | \$1.00 | \$3.85 |
| 2047 | \$0.59 | \$1.28 | \$0.19 | \$0.09 | \$0.27 | \$0.27 | \$0.21 | \$1.00 | \$3.90 |
| 2048 | \$0.60 | \$1.30 | \$0.19 | \$0.09 | \$0.27 | \$0.27 | \$0.22 | \$1.00 | \$3.94 |
| 2049 | \$0.61 | \$1.32 | \$0.19 | \$0.09 | \$0.28 | \$0.28 | \$0.22 | \$1.00 | \$3.99 |
| 2050 | \$0.63 | \$1.35 | \$0.20 | \$0.09 | \$0.28 | \$0.28 | \$0.23 | \$1.00 | \$4.06 |
| TOTAL | \$14.46 | \$31.15 | \$4.19 | \$2.33 | \$6.89 | \$6.89 | \$4.52 | \$29.00 | \$99.41 |

Summary of Available Revenues

In total, an estimated \$4.74 billion in transportation revenues can reasonably be expected for the NDOT Highway, Rural Roads, Urban Roads, Rail Crossing, Transit, and Trails programs, as summarized in **Table 6.7**.

Table 6.7 Total Revenue Forecasts (\$M)

| Program | Revenue Forecasts (2022–2050) |
|---|-------------------------------|
| NDOT Highways Program | \$548.16 |
| Rural Roads Program | \$854.99 |
| Urban Roads Program | \$2,280.11 |
| Rail Crossing Program | \$239.10 |
| Transit Program | \$754.00 |
| Trails, Bicycle, and Pedestrian Program | \$99.41 |
| TOTAL | \$4,775.77 |

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. Several resource allocation scenarios were considered during the development of the 2050 LRTP and are described in the following sections.

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.

NDOT Highways Program

- NDOT Projects

Rural Roads Program

- Operations & Maintenance
- Pavement Maintenance & Pipes
- Roadway and Bridge Capital Projects

Urban Roads Program

- System Operations & Maintenance, Minor Intersections
- Road & Bridge Rehabilitation
- Studies, PE, ROW & Statutorily Required Records
- Roadway Capital Projects
- Two Plus Center Turn Lane Projects
- ITS and Technology
- East Beltway Preservation
- Rail Crossing Projects

Alternative Modes

- Transit
- Trail Projects
- Trail Rehabilitation
- On-Street Bike Projects
- Pedestrian, Bike Share, and TDM

Committed and Restricted Funds

A portion of the approximately \$4.74 billion in transportation revenues described in the previous section is either restricted to certain project types or has already been committed to specific projects or programs.

Approximately \$3.21 billion (two-thirds of the total available funding) 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 6.8**. All funds for

fiscal years (FY) 22 through 25 are committed through the TIP. Where commitments for the FY22-25 TIP are listed, the funding sources vary and in some cases are a combination of funding sources. These funding commitments and restrictions are shown on **Table 6.8** by project and program category.

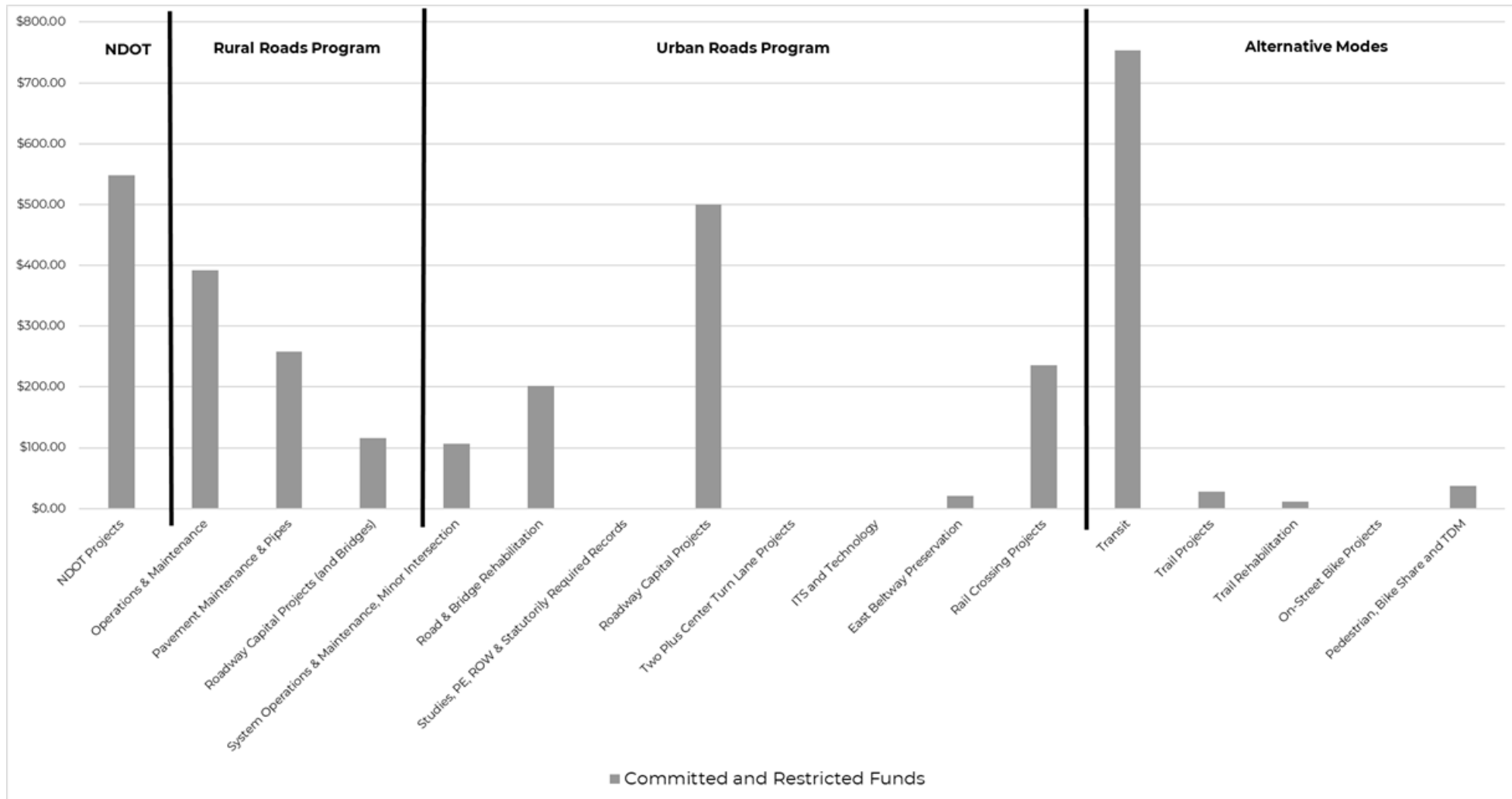
Figure 6.1 shows the resulting funding commitments and restrictions for each project and program category.

The remaining \$1.53 billion in funding is considered “flexible” and could be used for various transportation-related purposes.

Table 6.8 Funding Commitments and Restrictions

| Funding Source | Project or Program Category | Amount (\$M) |
|--|---|--------------|
| Federal Funds for NDOT Highways Program | NDOT Projects | \$548.16 |
| State Funds for NDOT Highways Program | | |
| FFPP (Lancaster County) | Rural Road & Bridge Capital Projects | \$115.89 |
| HSIP (Lancaster County) | | |
| Lancaster County General Revenues – Road & Bridge | | |
| STBG Funds for Lancaster County Projects in FY22-25 TIP | | |
| Lancaster County General Revenues – Pavement Maintenance & Pipes | Rural Road Pavement Maintenance & Pipes | \$258.31 |
| Lancaster County General Revenues – Operations & Maintenance | Rural Road Operations & Maintenance | \$391.78 |
| Highway Allocation Funds (Lancaster County) | | |
| RTSD O&M Funds | Urban Road Operations & Maintenance | \$106.85 |
| Transportation O&M budget in FY22-25 TIP | | |
| COVID Relief Funds | Urban Road & Bridge Rehabilitation | \$201.53 |
| 60% of Highway Allocation Bond | | |
| 73.5% of LOTM Funds | | |
| 14.86% of Wheel Tax | | |
| STBG Funds in FY22-25 TIP | Urban Road Capital Projects | \$499.68 |
| FFPP (Lincoln) | | |
| HSIP (Lincoln) | | |
| 40% of Highway Allocation Bond | | |
| 25% of LOTM Funds | | |
| 35.14% of Wheel Tax | | |
| Roadway Impact Fees | East Beltway Preservation | \$21.00 |
| Adjustment for FY22-25 TIP | | |
| Keno Funds (Lancaster County) | Rail Crossing Projects | \$235.85 |
| Lincoln Allocation in FY22-25 TIP | | |
| Rail Hazard Elimination Funds | Rail Crossing Projects | \$235.85 |
| State Train Mile Tax Funds | | |

| Funding Source | Project or Program Category | Amount (\$M) |
|--|-----------------------------|--------------|
| RTSD Capital Funds | | |
| 1.5% of Lincoln on the Move Funds | | |
| Federal Transit Administration Funds | Transit | \$754.00 |
| State Transit Funds | | |
| Fares, Advertising, UNL Contract | | |
| Lincoln General Revenues – Transit | | |
| Transportation Alternatives Set Aside | | |
| Carbon Reduction Program | Pedestrian/Bicycle Projects | \$59.02 |
| Lower Platte South NRD | | |
| Trail Impact Fees | | |
| Private Contributions | | |
| Keno Funds (Lincoln) | Trail Rehabilitation | \$11.41 |
| Lincoln General Revenues – Trail Rehabilitation | | |
| Lincoln General Revenues – Sidewalk Rehabilitation | Pedestrian and TDM | \$37.43 |
| Sidewalk Rehabilitation Program in FY22-25 TIP | | |
| Total Funding Commitments and Restrictions | | \$3,240.91 |

Figure 6.1 Committed and Restricted Funds by Category

Flexible Funds

After accounting for the committed and restricted funds, approximately \$1.53 billion in flexible funds remain. As shown in **Table 6.9**, the flexible funds consist of four funding sources. The STBG funds can be used anywhere in Lincoln or Lancaster County, while the other three flexible funding sources must be used in the City of Lincoln.

Table 6.9 Flexible Funds

| Funding Source | 29-Year Total (\$M) |
|--|---------------------|
| Surface Transportation Block Grant Program | \$239.24 |
| TOTAL: Full Flexibility | \$239.24 |
| Remaining Wheel Tax (50%) | \$365.73 |
| Remaining Lincoln General Revenues | \$112.88 |
| Highway Allocation Fund (Lincoln) | \$817.02 |
| TOTAL: Must be used in Lincoln | \$1,295.63 |

Surface Transportation Block Grant Program

A portion of the flexible funds (approximately \$239 million) can be used in Lincoln or Lancaster County. The LRTP recommends a 70 percent (Lincoln)/30 percent (Lancaster County) split for these funds. Of the 30 percent allocation to Lancaster County, 20 percent shall be used within the 3-mile area surrounding the City of Lincoln to prepare roads in the urbanizing area for future annexation into the City of Lincoln. The remaining 10 percent can be used outside the 3-mile area, anywhere in Lancaster County. Allocations may vary annually but achieve the 70/30 percent split during the planning period.

This results in approximately \$71.8 million in STBG funds for Lancaster County and \$167.5 million in STBG funds for Lincoln. This brings the total amount of flexible funds that must be used in Lincoln to \$1.46 billion.

Community Funding Priorities

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

During the second phase of community outreach ("Balancing Tradeoffs"), 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 203 responses to the online survey and from the focus group meetings, the top choice of the community was to maintain existing streets and bridges (refer to **Figure 6.2**). The results of the community's responses, however, reinforce the need for a balanced approach to funding transportation in Lincoln and Lancaster County; many participants expressed that all categories are important.

Figure 6.2 Community Input on Funding Priorities



Urban Area Resource Allocation Scenarios

After accounting for funding restrictions and commitments and the allocation of 30 percent of STBG funds to Lancaster County, the remaining \$1.46 billion of flexible funds could be applied to the urban area project or program categories in different ways to achieve the LRTP goals. Six resource allocation scenarios were developed by a subset of the Project Oversight Planning Committee (POPC) with input from the full Oversight Planning Committee, the Community Committee, and with strong consideration for the community input on funding priorities.

Four initial scenarios were developed, and two hybrid scenarios were subsequently considered:

- **Scenario 1: Base Scenario:** Scenario 1 uses an approach consistent with the 2040 LRTP. That is, the allocation of flexible funds to each project and program category aligns with the previous LRTP allocation. Scenario 1 represents a baseline for comparison purposes.
- **Scenario 2: Multimodal Rehabilitation:** Scenario 2 responds to the community's priority of maintaining existing streets and bridges by focusing on rehabilitation of multimodal transportation infrastructure. Using the Base Scenario as a starting point, Scenario 2 includes an increased allocation to Road & Bridge Rehabilitation, Trail Rehabilitation, and Sidewalk Rehabilitation (Pedestrian, Bike Share, and TDM Program). The result is a decrease in the available funds for Roadway Capital Projects.
- **Scenario 3: Multimodal Focus:** Scenario 3 responds to the community's second and third funding priorities of expanding trails and enhancing transit service. It supports the Lincoln Climate Action Plan and the goal of reducing GHG emissions by 80 percent by 2050 by encouraging alternatives modes of travel. It also supports the infill development component of PlanForward by providing enhanced bicycle and pedestrian infrastructure and enhanced transit service. Again, Scenario 3 builds on the Base Scenario. Additional funds are allocated to Transit (e.g., for enhanced transit service such as bus rapid transit), Trail Projects, On-Street Bike Projects, and the Pedestrian, Bike Share, and TDM

Program. The allocation to Roadway Capital Projects would be reduced as a result.

- **Scenario 4: Innovation and Technology:** Scenario 4 is intended to support the Lincoln Climate Action Plan through technology advancements; the electrification focus of this scenario supports the Community Committee's strong emphasis on environmental sustainability. Beginning with the Base Scenario, Scenario 4 allocates additional funds to ITS & Technology (e.g., for adaptive signals, future proofing streets, micromobility, installation of EV charging stations), the Pedestrian, Bike Share, and TDM Program (specifically for technology and infrastructure for employers to support remote working) and Transit (e.g., for automated shuttle service, electrification of fleet, on-demand transit services to leverage electrification and new technology platforms). This scenario would result in an equivalent reduction in the Roadway Capital Projects allocation.
- **Hybrid Scenario A: Making the Most of the Existing System:** Hybrid Scenario A uses the Base Scenario as a starting point and includes elements of both Scenario 2 and Scenario 4. It includes an increased allocation to Road & Bridge Rehabilitation, Trail Rehabilitation, and ITS & Technology.

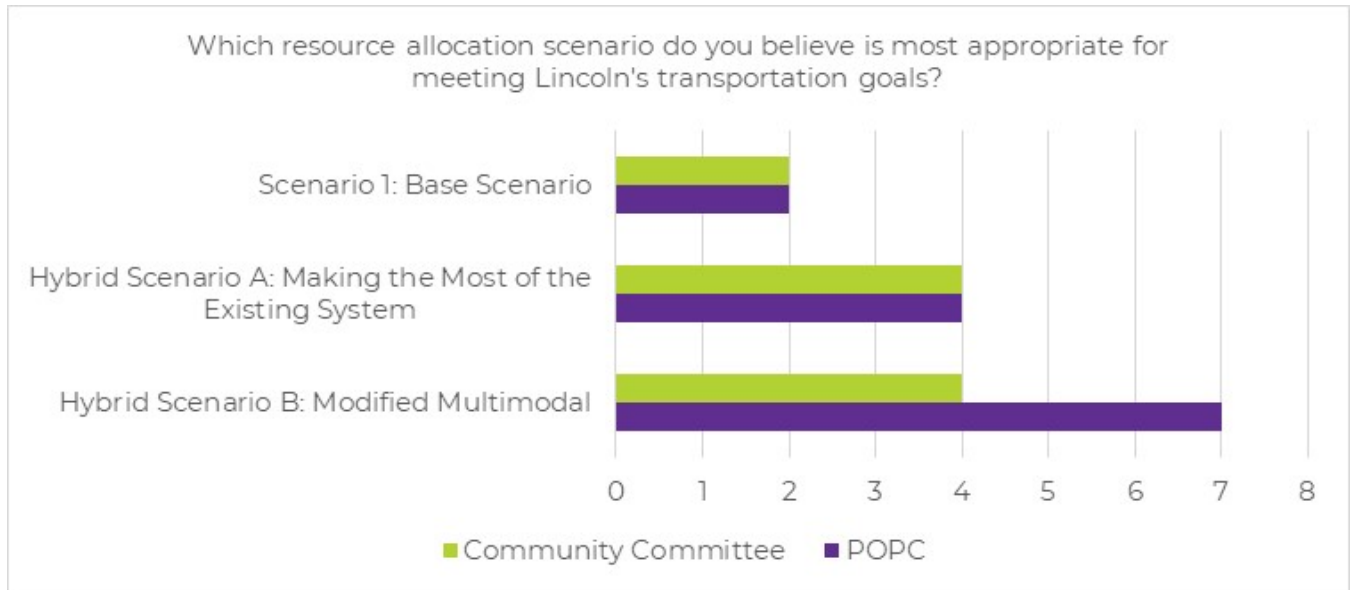
The result is an increased emphasis on maintaining the existing system and improving the efficiency of that system.

- **Hybrid Scenario B: Modified Multimodal:** Again, Hybrid Scenario B uses the Base Scenario as a starting point and a portion of the flexible funds for increased allocation to Transit, On-Street Bike Projects, Trail Rehabilitation, and Sidewalk Rehabilitation (elements of Scenarios 2 and 3), but compared to these scenarios, it preserves some flexible funds for Roadway Capital Projects, particularly growth projects that support the edge growth component of PlanForward.

The Base Scenario and Hybrid Scenarios A and B were presented and discussed with the POPC and the Community Committee. Both Committees were asked which resource allocation scenario they believe is most appropriate for meeting Lincoln's transportation goals. As shown on **Figure 6.3** the Community Committee was split in their preference for Hybrid A and Hybrid B, while the POPC had a preference for Hybrid B.

Figure 6.4 shows a comparison of the total resource allocation (2022–2050) for each scenario by project or program category. The recommended resource allocation is described on page 6-24.

Figure 6.3 Project Oversight Planning Committee and Community Committee Input on Resource Allocation Scenarios

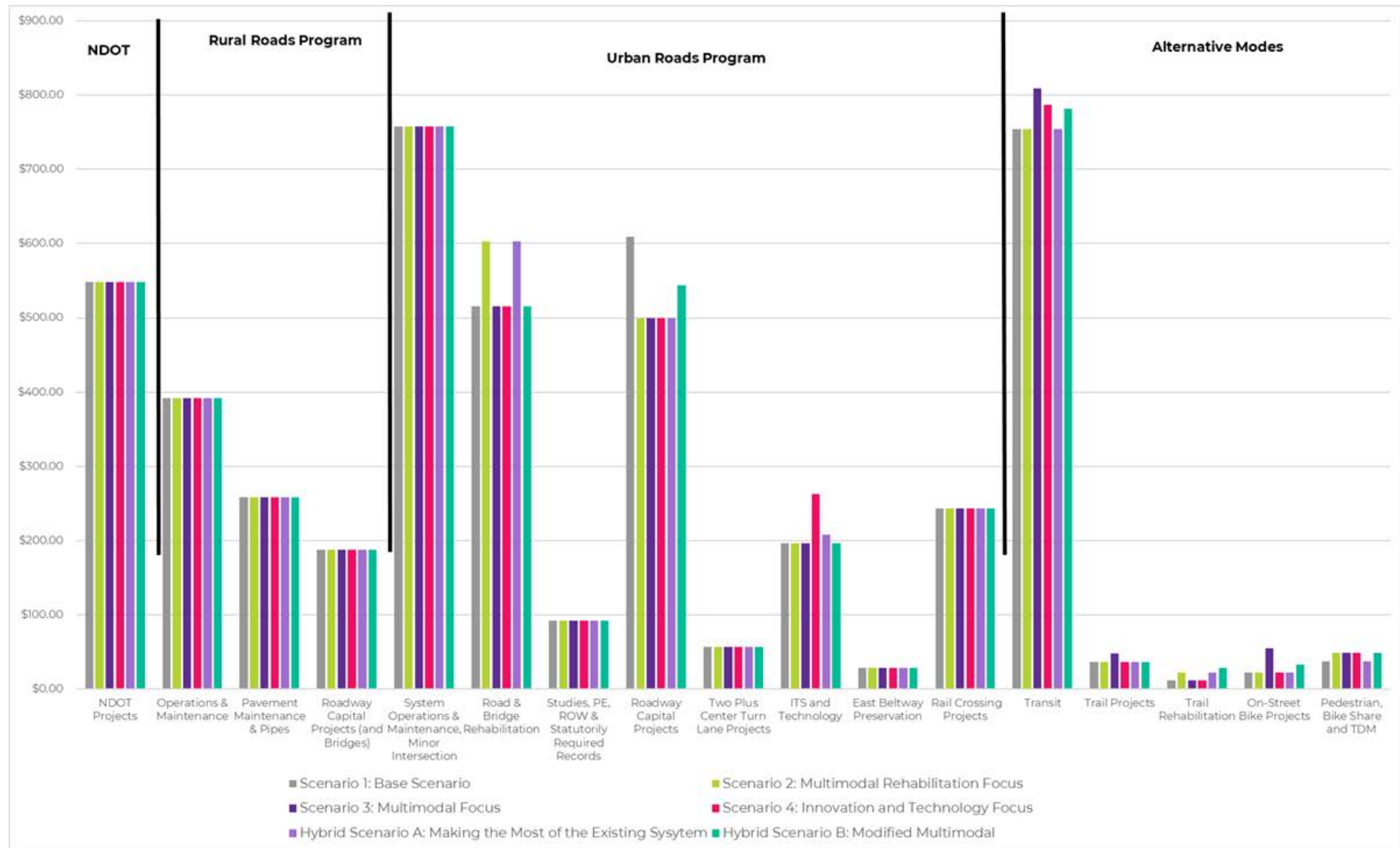


Funding Strategy

LTU Operations & Maintenance Program

Through the process of developing the revenue forecasts and resource allocation scenarios, it became apparent that funding needs for LTU's Operations & Maintenance (O&M) Program exceed the funding projections included in the 2040 LRTP. The 2040 LRTP established O&M needs using a base year (2017) annual estimate of \$17.70 million, with an annual inflation rate of 2.5 percent. This equated to a funding need of \$20.51 million in 2022.

The current budget includes \$24.77 million for the O&M program in 2022, a \$4.26 million increase over what was previously projected. In addition to an increase in the base year program cost, LTU estimates an annual inflation rate of 2.75 percent based on increasing costs over the past five years. Specifically, the cost of materials, wages and healthcare for employees has increased, resulting in a higher annual inflation on the cost to complete the essential functions associated with the O&M Program.

Figure 6.4 Comparison of Resource Allocation Scenarios

The combined effect of a higher base year cost and a higher annual inflation rate is a greater overall cost to fund the O&M Program than was previously anticipated. The total need over the 29-year period would be \$858 million (with an annual average of \$29.6 million) using the 2040 LRTP assumptions versus \$1.077 billion (with an annual average of \$37.15 million) using the 2050 LRTP assumptions. The 2050 LRTP O&M needs represent a 25 percent increase over those identified in the 2040 LRTP.

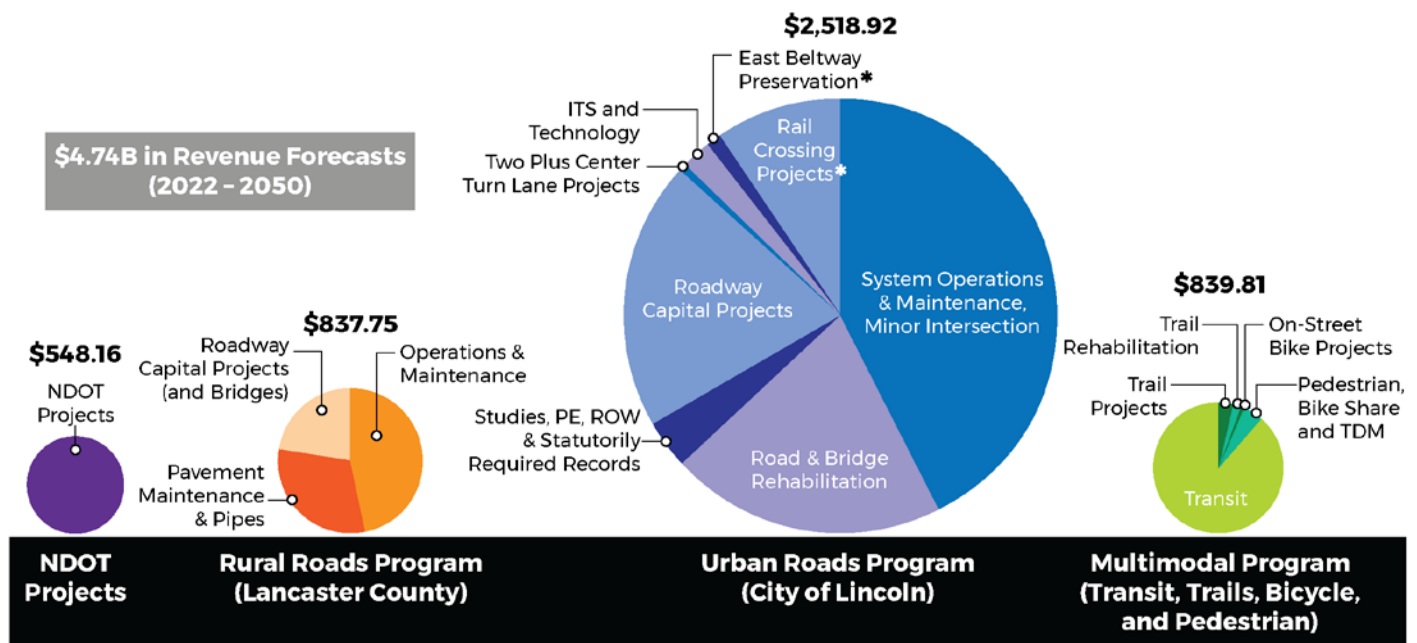
Recommended Resource Allocation

The revenue forecasts are not enough to address all the transportation needs in Lincoln and Lancaster County. Through previous and recent public input, the

community has consistently expressed that maintaining existing streets and bridges is the top priority. The LRTP recommends prioritizing funding to take care of the existing transportation system and includes fully funding LTU's O&M Program, which requires 33 percent of the total funding available to the City of Lincoln. The recommended resource allocation is shown on **Figure 6.5** and is detailed in the Fiscally Constrained Plan, as documented in **Chapter 7**.

The recommended resource allocation represents a deviation from the six scenarios described in the previous section, primarily due to the need to fully fund LTU's O&M Program. The scenarios and community input on those scenarios should be referenced and considered if/when additional revenue sources are contemplated to address the transportation funding gap.

Figure 6.5 Recommended Resource Allocation (\$M)



* Collaborative programs of Lincoln and Lancaster County

Future Funding Considerations

The following sections describe future funding considerations that are not explicitly accounted for in the 2050 LRTP revenue forecasts. These considerations should be monitored regularly to optimize funding opportunities for transportation.

Continue a ¼ Cent Sales Tax

The revenue forecasts described in the previous sections do not account for the continuation of the ¼ cent LOTM sales tax. Recognizing the transportation funding shortfall, a “what-if” scenario was evaluated to understand what could be accomplished if the ¼ cent sales tax were continued beyond 2025. A continuation of the ¼ cent sales tax (assuming a growth rate of 1.2 percent per year, representative of the community’s expected population growth rate) would result in \$380 million of additional revenue, which could be used to construct an estimated 30 additional roadway capital projects, rehabilitate an additional 210 lane miles of roadway, or provide more adequate funding to address transit, pedestrian, or bicycle needs.

Increase to ½ Cent Sales Tax

If the LOTM sales tax were increased to a ½ cent, an additional \$760 million in funding could be expected (over the baseline assumptions), which equates to approximately 60 projects or 420 lane miles of roadway rehabilitation. Other new funding sources should be considered in addition to the continuation of the sales tax to address the transportation needs of Lincoln and Lancaster County.

Competitive Grant Opportunities

The revenue sources included in the LRTP revenue forecasts for 2022–2050 represent funding that can reasonably be expected based on historic funding levels. In addition to these regular and ongoing funding sources, the Lincoln MPO and its member agencies should continue to pursue other transportation funds, including competitive grants such as Federal Recreational Trails and the portion of the federal Transportation Alternatives Set Aside that is distributed by NDOT through a project-specific competitive process. In addition, there are a variety of federal and non-profit grant programs such as Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants that should be pursued to supplement the transportation funding for the Lincoln MPO.

Highway Allocation Funds

The current allocation of highway funding is based on revenues generated by gas taxes. These revenues have remained stagnant, and no significant change has been made to state tax on fuel consumption. In fact, the rate decreased from 33.2 cents a gallon to 28.7 cents a gallon in 2021 although the portion of the rate that is considered Fixed Tax has remained unchanged at 16.3 cents per gallon. Funding the transportation system with gas tax revenues will become unsustainable over time as vehicles become more fuel efficient and more vehicles are converted to electric power. The Lincoln MPO will monitor changes to the Highway Allocation Funds that address these systematic changes.