

SECTION 5: UPDATED FINANCIAL PLAN

INTRODUCTION

As required by the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), effective December 11, 2007, revenue and cost estimates must use an inflation rate (or rates) to reflect “year of expenditure dollars,” based on reasonable financial principles and information, and developed cooperatively by the State (WisDOT), MPOs and public transportation operators. SAFETEA-LU states that MPOs that do not reflect inflation factors in their plans by December 11, 2007, will not be able to amend their Transportation Improvement Programs (TIPs), since the plans will not fulfill the fiscal constraint requirements of SAFETEA-LU. This section of the SAFETEA-LU compliance amendment to the *Year 2035 SATP* is designed to modify the major project schedules and long-term cost estimates of the original *Year 2035 SATP* adopted in 2006 to include an inflation factor.

After consulting with staff from the WisDOT Bureau of Planning and Economic Development in June of 2007, it was decided that an inflation rate of 2.5 percent should be applied to the total annual program cost for the second, third and fourth years in the TIP financial plan as well as the second and subsequent years in the long-range transportation plan as the basis for comparison with estimated revenues in a demonstration of fiscal constraint. The inflation rate is Consumer Price Index (CPI) driven, and is not driven by the construction index, in keeping with limited funds available in state and local budgets. Exceptions to this rule are noted where they occur in the discussion which follows.

This financial analysis is intended to show that funding is reasonably available to implement the recommendations in the plan. The updated financial plan includes a compilation of state and federal transportation funds which are currently available to local jurisdictions in the Sheboygan metropolitan planning area. Local funding level projections are based on historic spending levels. Anticipated needs are estimated based on WisDOT’s Urban Corridors study, pavement inventories and output from the Wisconsin Information System for Local Roads (WISLR), and proposed project needs from previous studies.

Over the life of the plan (2006 – 2035), inflation-adjusted needs are projected at over \$1,014,000,000, while anticipated funding (adjusted for inflation) is estimated at nearly \$1,061,000,000. While this is not enough to complete additional major projects, the difference allows for some flexibility to add smaller projects or studies as part of future updates and the overall long-range transportation planning process and still have a fiscally constrained plan.

STREET AND HIGHWAY FUNDING

The types of highway funding resources that can be used to implement the recommendations in the *Year 2035 SATP* come from a variety of programs at the federal, state and local levels. Table 5.3 summarizes the federal financial requirements (adjusted for inflation) for all high cost preservation projects and all capacity expansion projects identified in Chapter 7 of the *Year 2035 SATP* (adjusted for recent changes in implementation timetables for some of those projects), as well as the resources that could be used to fund these projects.

At the time a project moves into the committed years of the Transportation Improvement Program (TIP), the project’s cost will be reevaluated and the funding method to be used will be revisited. The actual funding source will depend on the current allocation levels. The MPO will

pursue alternative funding mechanisms (if appropriate) as the design and construction phases of projects in the long-range component of the planning horizon (2013 to 2035) approach.

Available Street and Highway Funding Sources

The narrative on available street and highway funding sources (pages 8-1 to 8-4 of the *Year 2035 SATP* adopted in 2006) remains unchanged from the original document.

Historical Street and Highway Funding

Local Funding

The narrative on historical local funding (pages 8-4 and 8-5 of the *Year 2035 SATP* adopted in 2006) remains unchanged from the original document. This includes Table 8.1 (Historical Local Street and Highway Expenses, Sheboygan Metropolitan Planning Area). The information used to produce Table 8.1 was obtained from the Wisconsin Department of Revenue reports entitled *Revenues & Expenditures by Wisconsin Counties, Cities, Villages & Towns* for local jurisdictions in the Sheboygan metropolitan planning area for calendar years 2001 through 2004.

State and Federal Funding

The narrative on historical state and federal funding (page 8-5 of the *Year 2035 SATP* adopted in 2006) remains unchanged from the original document. This includes Table 8.2 (Historical Federal and State Street and Highway Expenses, Sheboygan Metropolitan Planning Area). The information used to produce Table 8.2 was obtained from the *Sheboygan Metropolitan Planning Area Transportation Improvement Program (TIP): Calendar Years 2002 – 2005*.

Long-Range Street and Highway Funding

The foundation used to create the narrative on long-range street and highway funding (including Table 8.3, Average Local Transportation Expenditures and Projected Revenue: 2006 – 2035: Sheboygan Metropolitan Planning Area) remains unchanged from what was produced in the financial plan chapter of the original *Year 2035 SATP* in 2006. The main sources used to produce Table 8.3 involved the Wisconsin Department of Revenue reports entitled *Revenues & Expenditures by Wisconsin Counties, Cities, Villages & Towns* for local jurisdictions in the Sheboygan metropolitan planning area for calendar years 2001 through 2004.

The only adjustments to Table 8.3 involve the “projected local revenue,” since the over \$378 million originally noted as projected local revenue needed to be adjusted for inflation. The total anticipated locally generated revenue over the life of the plan based on historic revenues (when adjusted for inflation) amounts to over \$567 million; while most of this funding involves operations and maintenance expenditures, over \$60 million of this amount (adjusted for inflation – originally over \$40 million) involves local matching funds for street and highway programs.

Table 5.1 (which replaces Table 8.4 in the original *Year 2035 SATP*) indicates projected state and federal funding for the Sheboygan metropolitan planning area (as originally provided by WisDOT in September of 2005), and shows specific annual programs based on funding levels originally provided by WisDOT. The dollar amounts shown in Table 5.1 were adjusted for inflation by 2.5 percent each year for the period covered by the *Year 2035 SATP* for all programs except the local bridge program, which was not adjusted to reflect inflation per WisDOT guidance provided in June 2007. No major projects are assumed to occur in the metropolitan planning area over the life of the plan. The “STH Maintenance and Operations” row in the “STH Preservation, Maintenance and Operations” section of Table 5.1 refers to maintenance and

operations on state highways; all other rows in this section of Table 5.1 involve preservation activities on the state trunk highway network.

Table 5.1 WisDOT Funding Projections for Street and Highway Activities Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)			
Funding Type	Assumed 2006 Allocation	2006 - 2035 Allocation*	Funding Cycle
State Trunk Highway (STH) Preservation, Maintenance and Operations			
Backbone Rehabilitation	\$1,325,400	\$59,643,358	Annual
Non-Backbone 3R	\$1,270,671	\$57,180,538	Annual
STH "Low Cost" Bridges	\$150,000	\$6,750,041	Annual
STH Maintenance and Operations	\$1,710,000	\$76,950,462	Annual
Subtotal	\$4,456,071	\$200,524,398	
Local Road Expansion and Preservation			
STP Urban	\$502,064	\$22,593,016	Biennial
STP Rural	\$82,000	\$3,690,022	Biennial
General Transportation Aids	\$3,306,122	\$148,776,383	Annual
Connecting Highway Aids	\$237,347	\$10,680,679	Biennial
Municipal Streets Portion of LRIP	\$70,500	\$3,172,519	Biennial
Federal Safety Programs	\$158,586	\$7,136,413	Biennial
Local Bridges	\$322,345	\$9,670,350	Biennial
Subtotal	\$4,678,964	\$205,719,381	
Total	\$9,135,035	\$406,243,779	
*With the exception of local bridges, all funding projections were adjusted to reflect an annual inflation factor of 2.5 percent. Local bridge funds were not adjusted to reflect inflation. These adjustments were made per WisDOT guidance issued in June of 2007.			
Source: Wisconsin Department of Transportation, 2005 and 2007; and Bay-Lake Regional Planning Commission, 2006 and 2007.			

Table 5.2 (which replaces Table 8.5 in the original *Year 2035 SATP*) projects the inflation adjusted funding amounts for the planning period (2006 – 2035). Based on annual expenditures, and with adjustments for inflation, it is estimated that state and federal funding for the local road system is expected to amount to over \$180 million, while WisDOT General Transportation Aids (provided to all local jurisdictions) is expected to total nearly \$149 million. Locally-funded operations and maintenance of local roads will involve more than \$358 million. State Trunk Highway (STH) operations and maintenance will involve nearly \$77 million over the planning period. The local match of federal and state funded street and highway projects in the metropolitan planning area will amount to over \$60 million.

When local, state and federal funding projections are increased by an annual inflation rate of 2.5 percent, anticipated funding over the life of the plan is forecast to be nearly \$825 million for street and highway activities, as shown below in Table 5.2. This amounts to an annual average of nearly \$27,500,000.

Table 5.2 Long-Range Funding Summary Street and Highway Activities Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)	
Revenue Source	Plan Total
Federal and State Funding (project specific)(1)	\$180,516,938
General Transportation Aids (GTA - State Funds)	\$148,776,385
Local Operations and Maintenance (Not paid for by GTA)	\$358,028,364
State Trunk Highway Operations and Maintenance (2)	\$76,950,463
Local Match (excludes local preservation projects)	\$60,536,164
Grand Total Funding	\$824,808,314
Yearly Average	\$27,493,610
NOTES:	
(1) Includes the following funding sources: STP - Urban, STH Preservation, BR, LRIP, CHA, STP - Rural, and STP - Safety. Excludes GTA and STH O & M because they are accounted for in operations and maintenance. There are no Major STH projects planned within the metropolitan planning area over the planning horizon at this time.	
(2) Includes STH long-range preservation.	
(3) With the exception of local bridges, all funding projections were adjusted to reflect an annual inflation factor of 2.5 percent. Local bridge funds were not adjusted to reflect inflation. These adjustments were made per WisDOT guidance issued in June of 2007.	
Source: Wisconsin Department of Revenue, 2001, 2002, 2003 and 2004; Wisconsin Department of Transportation, 2005 and 2007; and Bay-Lake Regional Planning Commission, 2006 and 2007.	

Long-Range Street and Highway Operations and Maintenance, Preservation and Reconstruction Needs

As required by SAFETEA-LU and by previous federal surface transportation legislation, MPOs must “emphasize the preservation of the existing transportation system” during the metropolitan transportation planning process. In many cases, transportation agencies use life-cycle cost analysis to study new construction projects and to evaluate preservation strategies for existing transportation assets.

To date, the Bay-Lake Regional Planning Commission has not taken an active role in assisting with or documenting state and local operations, maintenance and preservation programs. However, the Wisconsin Department of Transportation (WisDOT) has programs and has identified funding sources for operations, maintenance and preservation activities. WisDOT provided the MPO staff with a listing and schedule of principal arterial improvement projects, and estimated the various costs associated with these projects over the life of the plan. These costs have been adjusted for inflation per guidance provided by WisDOT staff.

Recommended Street and Highway Projects

Table 5.3 (which replaces Table 8.6 in the original *Year 2035 SATP*) shows a listing of major projects that originated from the *Sheboygan Metropolitan Planning Area TIP: Calendar Years 2005 – 2008*, the WisDOT Six Year Program, from local capital improvement programs, and from the long-range transportation planning process. **Generally, the projects involve high-cost construction or reconstruction activities, and are beyond normal preservation and**

maintenance efforts. Other system preservation projects (usually involving lower costs than the projects shown in Table 5.3) may be included in plans or programmed based on pavement condition and/or other documented need or analysis. Some of the projects in Table 5.3 have revised implementation timetables in comparison to what was presented in Table 8.6 of the original *Year 2035 SATP*.

Table 5.3 indicates that the high cost planned projects amount to over \$106 million in needs, and include state trunk and connecting highways as well as several county trunk highways and local streets in the metropolitan planning area. Of this amount, over \$50.6 million involves expansion projects, while over \$55.7 million involves preservation projects. “Connecting highways” are those streets owned by the local jurisdiction, but are signed and designated as state trunk highways, and are paid for by WisDOT through local maintenance agreements. Other streets in the urbanized area belong to local jurisdictions, are classified as principal arterials, minor arterials and collectors based primarily on traffic volumes, and are eligible for funding through the STP Urban program. Arterials can be county trunk highways, and are subject to maintenance agreements with the various jurisdictions along the route.

Street and Highway Operations, Maintenance and Preservation

Operations, maintenance and preservation needs are estimated on a dollar per mile basis using information provided by the WisDOT Northeast Region staff. The data show that local streets and highways are less expensive to provide and maintain than the classified arterial and collector system. Expenditures for the street and highway network vary widely based on facility type and jurisdictional responsibility, which in turn reflects levels of urban development and traffic volumes. For purposes of this analysis, WisDOT has the greatest per mile expenditures, associated with high cost interstate and freeway, bridge structure and interchange projects. Cities have the second highest expenditures, followed by villages, counties and towns. Cities have the largest portion of four-lane facilities, higher traffic capacity requirements, typically more sidewalks, with most streets requiring accommodations for sewer, water, utilities and other infrastructure associated with the transportation corridor. County trunk highways fall in between city and town facilities, built to a higher standard than town roads, but typically lacking curb and gutter or other amenities.

WisDOT maintenance and preservation data reflects black top, gravel, tar, concrete and the physical patching and paving of roadway surfaces; this is only a portion of the total cost to provide the transportation system. The reported expenditures relate to more than just the estimated road surface preservation cost per mile, and may include the cost for snow plowing, salt, right-of-way maintenance (including ditch cleaning and clearing brush), traffic signs and signals, etc. The reported expenditures likely also include facilities like highway garages, graders, and trucks in the operations and maintenance budgets. A formula was established to better reflect the total cost of operating and maintaining the transportation system; this formula reflects the higher cost for principal and minor arterials compared to collectors and the local road system.

**Table 5.3
High Cost Planned Projects
Sheboygan Metropolitan Planning Area
2006 - 2035
(Adjusted for Inflation)**

EXPANSION PROJECTS			
Facility	Termini	Implementation Period	Cost
CTH O	N. Taylor Dr. to Woodland Rd.	2008 - 2009	\$4,177,059
CTH O	Woodland Rd. to STH 32	2010 - 2012	\$3,376,122
CTH OK	CTH EE/Weeden Creek Rd. to Camelot Blvd.	2010 - 2012	\$4,553,918
S. Taylor Dr.	CTH EE/Weeden Creek Rd. to CTH OK	2010 - 2012	\$3,594,484
IH 43	CTH FF (New Interchange)	2010 - 2012	\$4,751,914
CTH OK	CTH V to CTH EE/Weeden Creek Rd.	2013 - 2020	\$7,989,759
STH 42	CTH Y to CTH A/Howards Grove	2021 - 2030	\$10,105,976
CTH Y	CTH O to STH 42	2021 - 2030	\$8,752,902
S. 18th St.	CTH EE/Weeden Creek Rd. to CTH V	2021 - 2030	\$3,332,512
Subtotal			\$50,634,646
PRESERVATION PROJECTS			
STH 32	STH 28 to CTH C	2006 - 2007	\$2,707,219
STH 28	STH 32 Intersection (Roundabout)	2006 - 2007	\$465,715
N. 8th St.	Ontario Ave. to Michigan Ave.	2006 - 2007	\$971,926
Ourtown Rd.	Bridge and Approaches over Onion River	2006 - 2007	\$365,485
Dairyland Drive	Playbird Road to County Highway MM	2008 - 2009	\$1,042,403
STH 42	N. 40th St. to Howards Grove East Village Limit	2008 - 2009	\$3,792,008
IH 43	Wilson Lima Rd. to Sheboygan River	2008 - 2009	\$1,117,924
Eisner Ave.	N. 8th St. to N. 21st St.	2008 - 2009	\$2,297,542
North Ave.	N. 24th St. to N. 15th St.	2008 - 2009	\$382,924
Indiana Ave.	S. 17th St. to S. 14th St.	2008 - 2009	\$1,641,253
North Ave.	N. 15th St. to N. 3rd St.	2010 - 2012	\$4,299,351
STH 42	Howards Grove North Village Limit to Manitowoc County Line	2010 - 2012	\$535,156
IH 43	Sheboygan River to STH 42	2010 - 2012	\$5,204,478
STH 23	STH 57 to STH 32	2010 - 2012	\$3,214,331
CTH LS	Eisner Ave. to CTH MM	2010 - 2012	\$5,900,294
N. 15th St.	STH 42/Calumet Dr. to North Ave.	2013 - 2020	\$3,563,964
Union Ave.	STH 28/S. Business Dr. to S. 8th St.	2013 - 2020	\$2,086,539
STH 42	STH 32 to Howards Grove North Village Limit	2013 - 2020	\$2,330,184
STH 32	STH 23 to Howards Grove Northwest Village Limit	2013 - 2020	\$6,098,914
STH 28	CTH A to Greenwing Dr.	2013 - 2020	\$4,607,233
CTH EE/Weeden Creek Rd.	CTH OK to Lakeshore Dr.	2013 - 2020	\$2,786,372
STH 28	Intersection with Georgia Ave. (Signalization)	2013 - 2020	\$340,845
Subtotal			\$55,752,057
TOTAL			\$106,386,703
NOTE:			
(1) All cost projections were adjusted to reflect an annual inflation factor of 2.5 percent. These adjustments were made per WisDOT guidance issued in June of 2007. The inflated dollar figures assume implementation of all projects in a given implementation period at the midpoint of that implementation period (i.e.: 2011 for the 2010 to 2012 implementation period).			
Source: City of Sheboygan, 2005 and 2008; Wisconsin Department of Transportation, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006, 2007 and 2008.			

Table 5.4 (which replaces Table 8.7 in the original *Year 2035 SATP*) shows estimated local operations, maintenance and preservation needs in the metropolitan planning area over the life of the plan. The street and highway mileage within the metropolitan planning area is projected to be over 559 miles near the end of the 30 year planning period. The principal arterial operations, maintenance and preservation estimate of \$34,500 per mile annually (in 2006 dollars), applied to 48.70 miles over the 30 year planning period, and adjusted for inflation annually, amounts to between \$75 million and \$76 million over the life of the plan. The minor arterial and collector operations, maintenance and preservation estimate of \$28,500 annually (in 2006 dollars), applied to 150.22 miles of minor arterials and collectors over the 30 year planning period, and adjusted for inflation annually, amounts to between \$192 million and \$193 million over the life of the

plan.

Local streets typically have less traffic and fewer trucks than do arterials and collectors, are not as wide, and thus, are slightly less expensive to maintain. Table 5.4 indicates that the local road operations, maintenance and preservation estimate of \$25,500 per mile annually (in 2006 dollars), applied to 360.52 miles of local streets and roads over the 30 year planning period, and adjusted for inflation annually, amounts to between \$413 million and \$414 million over the life of the plan. The grand total for the identified operations, maintenance and preservation needs, when adjusted for inflation, amounts to nearly \$682 million.

Table 5.4 Estimated Street and Highway Operations, Maintenance and Preservation Needs Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)			
Facility Type	Total Miles Year 2035	Annual Cost Per Mile (2006 Dollars)	Anticipated Need (\$)
Principal Arterials	48.70	\$34,500	\$75,607,204
Minor Arterials and Collectors	150.22	\$28,500	\$192,658,306
Local Roads	360.52	\$25,500	\$413,699,182
Grand Total	559.44		\$681,964,692
NOTE:			
(1) All cost projections were adjusted to reflect an annual inflation factor of 2.5 percent. These adjustments were made per WisDOT guidance issued in June of 2007.			
Source: Wisconsin Department of Transportation, 2005, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006 and 2007.			

Street and Highway Operations and Maintenance

Operations and maintenance costs for the entire metropolitan planning area for 2001 through 2004 (from Table 8.1 of the original *Year 2035 SATP*) were added then were divided by four to arrive at an average operations and maintenance cost figure for the four year period. This figure (\$10,374,226) was then increased by 8.56 percent (the consumer price index inflation rate from 2002 to 2005) to arrive at an annual operations and maintenance cost of \$11,262,260 for local (non-State Trunk Highway) roads in the metropolitan planning area in 2006. This adjusted operations and maintenance cost for local facilities was then inflated at an annual rate of 2.5 percent for the period from 2007 through 2035; the summation of these inflation adjusted operations and maintenance costs for local facilities indicates that over \$506,804,700 would be needed for local road operations and maintenance. When added to the nearly \$76,950,500 in state trunk highway operations and maintenance (Table 5.2), local and state trunk highway operations and maintenance costs amount to over \$583,755,200.

Street and Highway Low Cost Preservation Projects

The *Year 2035 SATP* includes preservation costs other than the projects presented in Table 5.3. Table 5.4 indicates that about \$681,964,700 is estimated to be spent on operations, maintenance and preservation needs in the Sheboygan metropolitan planning area between 2006 and 2035. When the \$583,755,200 projected to be needed in operations and maintenance costs is subtracted from the \$681,964,700, nearly \$98,209,500 is projected to be needed for preservation projects over the life of the plan (or an average of about \$3,273,650 per year).

In addition, MPO staff also reviewed lower cost preservation projects that appeared in the *Sheboygan Metropolitan Planning Area TIP: Calendar Year 2005 – 2008*, the WisDOT Six Year

Program, local capital improvement programs, and the long-range transportation planning process. Staff found seven lower cost preservation projects not included in Table 5.3; when adjusted for inflation, these projects had a total cost of nearly \$353,300. These costs were added to the nearly \$98,209,500 to arrive at a revised preservation project cost estimate of nearly \$98,562,800.

Summary of Long-Range Financial Needs for Street and Highway Activities

Table 5.5 (which replaces Table 8.8 in the original *Year 2035 SATP*) shows that nearly \$789 million will be needed to maintain and improve the street and highway network over the 30 year planning period. This amounts to an annual average of nearly \$26,300,000.

Table 5.5 Long-Range Financial Need Summary Street and Highway Activities Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)	
Anticipated Need	Plan Total
Operations and Maintenance (Local and State Trunk Highway)	\$583,755,211
Anticipated Preservation Projects (Other than Recommended)	\$98,562,779
Recommended High Cost Preservation Projects (1)	\$55,752,057
Recommended Expansion Projects (1)	\$50,634,646
Grand Total Need	\$788,704,693
Yearly Average	\$26,290,156
NOTES: (1) These projects and their costs have been documented in Table 5.3. (2) All cost projections were adjusted to reflect an annual inflation factor of 2.5 percent. These adjustments were made per WisDOT guidance issued in June of 2007. In cases where there were known implementation periods for specific projects, the inflated dollar figures assume implementation of these projects in a given implementation period at the midpoint of that implementation period (i.e.: 2011 for the 2010 to 2012 implementation period).	
Source: Wisconsin Department of Transportation, 2005, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006, 2007 and 2008.	

A comparison of funding and need (Table 5.2 versus Table 5.5) shows that funding will be available to implement the proposed actions over the life of the plan after adjustments for inflation. In examining the 30 year plan horizon, estimated expenditures are fairly balanced, with some flexibility to consider several projects that are not critical in the short-range future. The roughly \$36.1 million difference between funding and need allows the area to more flexibly utilize the metropolitan transportation planning process. A summary table of funding and need for street and highway activities can be found at the end of this section.

TRANSIT FUNDING

Sheboygan Transit’s projected expenditures and revenues are compared in Table 5.6.

Transit Capital Projects

Capital expenditures proposed for 2006 through 2035 should be met assuming that federal funding remains at the 80 percent level. Capital projects will be prioritized by Sheboygan Transit, and implementation will be dependent upon local assistance and bonding as well as upon federal/state capital assistance levels. Capital expenditures were inflated by 2.5 percent each

year.

Transit Operating Expenses

The operating shortfall (the difference between operating revenue and federal and state assistance) must be funded by fare increases, local assistance or potential increases in miscellaneous revenues such as advertising and investments. It is projected that inflation-adjusted local operating assistance will increase from an average of \$679,125 in the 2006 – 2007 implementation period to an average of \$725,675 in the 2008 – 2009 implementation period, \$787,203 in the 2010 – 2012 implementation period, \$936,908 in the 2013 – 2020 implementation period, \$1,239,416 in the 2021 – 2030 implementation period, and an average of \$1,555,006 in the 2031 – 2035 implementation period, assuming that local assistance is maintained at 17.7 to 18.4 percent of total operating expenses. Transit operating expenses were inflated by 3.0 percent each year. In order to meet potential operating shortfalls in the future, Sheboygan Transit has the option of increasing fares, increasing local assistance or reducing service. Adjustments to local assistance levels and rate increases are local decisions, and will occur in the future as Sheboygan Transit has a more certain vision of federal and state assistance levels. The level of federal and state operating aid provided to the Sheboygan urbanized area will be a primary factor in determining the type of transit service provided in the transit service area in the future.

Table 5.6						
2006 - 2035 Financial Plan						
Sheboygan Transit System						
(Adjusted for Inflation)						
Capital Funding and Expenditures						
	2006 - 2007	2008 - 2009	2010 - 2012	2013 - 2020	2021 - 2030	2031 - 2035
Projected Capital Expenditures	\$2,964,000	\$2,712,000	\$339,000	\$8,340,000	\$9,015,000	\$7,957,000
Annualized Capital Expenditures	\$1,482,000	\$1,356,000	\$113,000	\$1,042,500	\$901,500	\$1,591,400
Capital Funding Resources						
Capital Assistance (Federal Section 5307 and/or 5309)	\$2,371,200	\$2,169,600	\$271,200	\$6,672,000	\$7,212,000	\$6,365,600
Annualized Federal Capital Assistance	\$1,185,600	\$1,084,800	\$90,400	\$834,000	\$721,200	\$1,273,120
Capital Assistance (Local)	\$592,800	\$542,400	\$67,800	\$1,668,000	\$1,803,000	\$1,591,400
Annualized Local Capital Assistance	\$296,400	\$271,200	\$22,600	\$208,500	\$180,300	\$318,280
Operating Funding and Expenditures						
Projected Operating Expenses	\$7,675,000	\$8,165,000	\$13,219,000	\$41,554,000	\$67,864,000	\$42,237,000
Annualized Operating Expenses	\$3,837,500	\$4,082,500	\$4,406,333	\$5,194,250	\$6,786,400	\$8,447,400
Operating Funding Resources						
Projected Farebox and Miscellaneous Operating Revenue	\$1,611,750	\$1,714,650	\$2,775,990	\$8,726,340	\$14,251,440	\$8,869,770
Annualized Farebox and Miscellaneous Operating Revenue	\$805,875	\$857,325	\$925,330	\$1,090,793	\$1,425,144	\$1,773,954
FTA Operating Assistance (Federal Section 5307)	\$1,381,500	\$1,469,700	\$2,379,420	\$7,479,720	\$12,215,520	\$7,602,660
Annualized FTA Operating Assistance	\$690,750	\$734,850	\$793,140	\$934,965	\$1,221,552	\$1,520,532
HUD CDBG Entitlement Funds	\$100,000	\$100,000	\$150,000	\$400,000	\$500,000	\$250,000
Annualized HUD CDBG Entitlement Funds for Operating Assistance	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
State Operating Assistance (State Section 85.20)	\$3,223,500	\$3,429,300	\$5,551,980	\$17,452,680	\$28,502,880	\$17,739,540
Annualized State Operating Assistance	\$1,611,750	\$1,714,650	\$1,850,660	\$2,181,585	\$2,850,288	\$3,547,908
Total Operating Funding	\$6,316,750	\$6,713,650	\$10,857,390	\$34,058,740	\$55,469,840	\$34,461,970
Annualized Total Operating Funding	\$3,158,375	\$3,356,825	\$3,619,130	\$4,257,343	\$5,546,984	\$6,892,394
Projected Local Operating Assistance Needed to Fund Operating Shortfall	\$1,358,250	\$1,451,350	\$2,361,610	\$7,495,260	\$12,394,160	\$7,775,030
Annualized Local Operating Assistance Needed to Fund Operating Shortfall	\$679,125	\$725,675	\$787,203	\$936,908	\$1,239,416	\$1,555,006

Source: Sheboygan Parking and Transit Utility, 2005, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006 and 2007.

A summary table of funding and need for transit activities can be found at the end of this chapter.

BICYCLE AND PEDESTRIAN TRANSPORTATION FUNDING

Past history provides strong evidence that improvements enabling bicyclists and pedestrians to coexist safely and effectively in the world of the motor vehicle often have not received high priority. As a result, many street and highway facilities continue to pose significant challenges to bicyclists and pedestrians.

Retrofitting existing roadways to make them more user friendly for bicyclists and pedestrians involves several potential actions, and has a correspondingly broad range of cost implications. Although many potential improvements would be highly beneficial to the bicyclist and/or pedestrian, such improvements often require significant costs, and cannot be economically justified as “stand alone” projects. For these types of improvements, their timing by necessity should correspond to major improvement actions slated for the roadway. However, some major projects designed to accommodate the bicyclist and/or pedestrian are independent actions which do not entail modification of the roadway, and should be constructed as funding permits; examples of these types of projects include off-road paths, sidewalks and pedestrian overpasses.

In addition, there are several improvements that can be successfully implemented at relatively little cost and by effecting only minor roadway design changes; this is particularly true at site-specific locations. These types of projects would include improvements such as safety islands, sidewalk curb cuts, paved shoulders, striped bike lanes, bicycle-friendly drainage grates and strategically located bike racks. In order to demonstrate a commitment to creating a more user friendly environment for bicyclists and pedestrians in the metropolitan planning area, a relatively consistent level of funding should be applied so that selected improvements can be completed on an annual basis until all such improvements are completed.

In order to be cost effective, bicycle and pedestrian related improvements should be built into the design of new projects. Only the cost of design modifications needed to satisfactorily accommodate bicyclists and pedestrians beyond that of the standard design motor vehicle roadway construction is justifiably a cost of implementing the bicycle and pedestrian transportation component of the *Year 2035 SATP*. The additional cost to accommodate bike lanes and/or wide curb lanes (including the costs associated with additional pavement width in compliance with AASHTO standards for safe bicycle accommodations) is logically allocated to the bicycle and pedestrian transportation component of the *Year 2035 SATP*, and can be relatively easily quantified. Similarly, the cost of providing extra width paved shoulders, sidewalks and pedestrian overpasses associated with new construction or reconstruction activities can be estimated for budgeting purposes once they are inventoried and prioritized.

Bicycle and pedestrian transportation funding typically includes federal transportation enhancement funding (provided through the Statewide Multimodal Improvement Program, or SMIP, administered by the Wisconsin Department of Transportation, along with a typical local match of 20 percent. The SMIP program is competitive at the state level; the WisDOT Bureau of Planning and Economic Development provided all Wisconsin MPOs with an annualized dollar amount of SMIP funds that were assumed to be available based on past trends in this program. In addition, the early years of the planning period (2006 – 2009) assume availability of funding from the Sheboygan County Non-Motorized Transportation Pilot Program (NMTTPP) for implementation of bicycle and pedestrian transportation projects in the metropolitan planning area and elsewhere in the county.

Table 5.7 indicates the amount of funding available from the Sheboygan County Non-Motorized Transportation Pilot Program (NMTTP), as well as the amount of Statewide Multimodal Improvement Program (SMIP) funding (and local match for SMIP projects) available by implementation periods identified in the *Sheboygan County Pedestrian and Bicycle Comprehensive Plan: 2035* over the 30 year planning horizon. Table 5.7 also indicates total inflation-adjusted bicycle and pedestrian transportation project recommended expenditures by implementation period over the planning horizon. In addition, Table 5.7 indicates operations and maintenance costs for off-road bicycle and pedestrian facilities (both existing off-road facilities as well as off-road facilities recommended in the *Sheboygan County Pedestrian and Bicycle Comprehensive Plan: 2035* and the *Year 2035 SATP*). Operations and maintenance of on-road bicycle and pedestrian facilities is included in street and highway operations and maintenance presented earlier in this section.

Table 5.7 2006 - 2035 Financial Plan Recommended Bicycle and Pedestrian Transportation Projects and Operations and Maintenance Costs for Bicycle and Pedestrian Facilities Sheboygan Metropolitan Planning Area (Adjusted for Inflation)		
	2006 - 2012	2013 - 2035**
Projected Expenditures		
Recommended Bicycle Facility Projects	\$6,237,657	\$0
Recommended Pedestrian Facility Projects	\$3,524,598	\$0
Bicycle and Pedestrian Facility Operations and Maintenance*	\$483,593	\$3,292,231
Total Expenditures	\$10,245,848	\$3,292,231
Estimated Funding Resources		
Sheboygan County Non-Motorized Transportation Pilot Program (NMTTP)	\$10,623,833	\$0
STP Enhancements Funding (Federal)	\$2,517,228	\$8,270,892
Required Local Match for STP Enhancements Funding	\$629,307	\$2,067,723
Total Funding Resources	\$13,770,368	\$10,338,615
Funding Surplus (Shortfall)	\$3,524,520	\$7,046,384
*Operations and maintenance costs only pertain to off-road facilities. On-road facility operations and maintenance costs have already been included in the operations and maintenance costs for streets and highways. **Bicycle and pedestrian facility projects for 2013 to 2035 are considered "illustrative projects," and are not officially recommended in the <i>Year 2035 SATP</i> because the plan needs to be fiscally constrained. The MPO will work with its advisory committees and with the Sheboygan County Planning and Resources Department to establish prioritization policies for bicycle and pedestrian projects with available funding resources.		
Source: Wisconsin Department of Transportation, 2005 and 2007; Sheboygan County Planning and Resources Department, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006, 2007 and 2008.		

Based on WisDOT projections, some \$359,604 in STP Enhancements (SMIP) funding is anticipated to be available each year, along with a 20 percent local match (\$89,901); these amounts have **not** been adjusted for inflation per guidance received from the WisDOT Bureau of Planning and Economic Development in June of 2007.

Table 5.7 indicates that there is more than a \$3.5 million funding surplus in the 2006 – 2012 implementation period. This is largely due to anticipated funding from the Sheboygan County NMTTP. Some \$16 million in infrastructure expenditures was expected to be available to Sheboygan County from 2006 through 2009. Based on a per capita expenditure formula, over \$10.6 million of this amount was projected to be available to the Sheboygan metropolitan planning area in the short-term future.

Table 5.7 also indicates that there is a funding surplus in excess of \$7 million in the 2013 – 2035 implementation period once operations and maintenance for existing bicycle and pedestrian facilities has been accounted for. That is not to say that there is not greater need for bicycle and pedestrian transportation improvements in the metropolitan planning area. Over \$14.1 million in bicycle facility projects and nearly \$28.6 million in pedestrian facility projects have been identified as needed in the metropolitan planning area in the 2013 – 2035 implementation period.

The nearly \$10.6 million in surplus funding identified in Table 5.7 can be allocated to bicycle and pedestrian transportation projects recommended in the *Sheboygan County Pedestrian and Bicycle Comprehensive Plan: 2035* for the mid-term and long-term implementation periods in that plan (2013 to 2035). It may make sense to move certain projects from these periods into the short-term implementation period (2006 to 2012), since a funding surplus was identified during this period. However, in the case of additional shared use paths, some of this surplus would need to be reserved for operations and maintenance over the planning period.

It should be noted that some long-range bicycle and pedestrian transportation projects did not have refined cost estimates, but are merely conceptual dollar amounts for planning purposes. As these projects become more defined, more accurate cost estimates will become available.

A summary table of funding and need for bicycle and pedestrian activities can be found at the end of this section.

SUMMARY

Street and Highway Revenue and Cost Summary

The funding expected to be available for street and highway activities, along with street and highway needs of the metropolitan planning area, adjusted for inflation, are summarized in Table 5.8. Currently, the MPO forecasts an average annual surplus of over \$1.2 million, or over \$36.1 million over the 30 year planning period.

Table 5.8 Revenue and Cost Summary for Streets and Highways Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)	
Anticipated Funding (Over 30 Years)	
Federal and State Funding (project specific)(1)	\$180,516,938
General Transportation Aids (GTA - State Funds)	\$148,776,385
Local Operations and Maintenance (Paid with GTA first)	\$506,804,749
Local Operations and Maintenance (Not paid for by GTA)	\$358,028,364
State Trunk Highway Operations and Maintenance (2)	\$76,950,463
Local Match (excludes local preservation projects)	\$60,536,164
Total Funding	\$824,808,314
Yearly Average	\$27,493,610
Anticipated Needs (Over 30 Years)	
Operations and Maintenance (Local and State Trunk Highway)	\$583,755,211
Anticipated Preservation Projects (Other than Recommended)	\$98,562,779
Recommended High Cost Preservation Projects (3)	\$55,752,057
Recommended Expansion Projects (3)	\$50,634,646
Total Needs	\$788,704,693
Yearly Average	\$26,290,156
NOTES: (1) Includes the following funding sources: STP - Urban, STH Preservation, BR, LRIP, CHA, STP - Rural, and STP - Safety. Excludes GTA and STH O & M because they are accounted for in the operations and maintenance spending lines. There are no Major STH projects planned within the metropolitan planning area over the planning horizon at this time. (2) Includes STH long-range preservation. (3) These projects and their costs have been documented in Table 5.3.	
Source: Wisconsin Department of Transportation, 2005 and 2007; and Bay-Lake Regional Planning Commission, 2006, 2007 and 2008.	

Transit Revenue and Cost Summary

The funding expected to be available for transit activities, along with transit needs of the metropolitan planning area, are summarized in Table 5.9. Currently, the MPO forecasts that transit revenues (from all sources) will match transit costs over the 30 year planning period.

Table 5.9 Revenue and Cost Summary for Transit Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)	
Anticipated Funding (Over 30 Years)	
FTA Capital Assistance	\$25,061,600
Local Governmental Capital Assistance	\$6,265,400
FTA Operating Assistance	\$32,528,520
HUD CDBG Entitlement Funds	\$1,500,000
State Operating Assistance	\$75,899,880
Local Governmental Operating Assistance	\$32,835,660
Farebox and Miscellaneous Operating Revenue	\$37,949,940
Total Funding	\$212,041,000
Yearly Average	\$7,068,033
Anticipated Needs (Over 30 Years)	
Projected Capital Expenditures	\$31,327,000
Projected Operating and Maintenance Expenditures	\$180,714,000
Total Needs	\$212,041,000
Yearly Average	\$7,068,033
Source: Sheboygan Parking and Transit Utility, 2005, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006 and 2007.	

Bicycle and Pedestrian Revenue and Cost Summary

The funding expected to be available for bicycle and pedestrian activities, as well as a summary of the bicycle and pedestrian needs of the metropolitan planning area, are summarized in Table 5.10. Currently, the MPO forecasts an average annual surplus of over \$350,000, or nearly \$10.6 million over the 30 year planning period. Several illustrative projects which could be financed by this surplus are identified in Section 4 of this amendment to the *Year 2035 SATP*.

Table 5.10 Revenue and Cost Summary for Bicycle and Pedestrian Facilities Sheboygan Metropolitan Planning Area 2006 - 2035 (Adjusted for Inflation)	
Anticipated Funding (Over 30 Years)	
Sheboygan County Non-Motorized Transportation Pilot Program (NMTTPP)	\$10,623,833
STP Enhancements Funding (Federal)	\$10,788,120
Required Local Match for STP Enhancements Funding	\$2,697,030
Total Funding	\$24,108,983
Yearly Average	\$803,633
Anticipated Needs (Over 30 Years)	
Recommended Bicycle Facility Project Expenditures	\$6,237,657
Recommended Pedestrian Facility Project Expenditures	\$3,524,598
Projected Bicycle and Pedestrian Facility Operating and Maintenance Expenditures	\$3,775,824
Total Needs	\$13,538,079
Yearly Average	\$451,269
Source: Wisconsin Department of Transportation, 2005 and 2007; Sheboygan County Planning and Resources Department, 2006 and 2007; and Bay-Lake Regional Planning Commission, 2006, 2007 and 2008.	

CONCLUSION

Federal surface transportation in recent years (TEA-21 and SAFETEA-LU) has not provided large amounts of federal funding to finance expanded transportation networks or programs. As a result, the Sheboygan MPO has made an effort to more strongly connect the long-range transportation plan and the TIP in order to invest limited resources in the most efficient manner. A stronger connection between the amended *Year 2035 SATP* and the TIP gives the Sheboygan MPO the ability to influence investment decisions. The Sheboygan MPO can then program limited funds for the projects determined to be the most important.

Project evaluation measures developed by the Sheboygan MPO are designed to incorporate strategies for the long-range transportation plan into the programming process. It should be noted that these evaluation tools are not an end to themselves, but rather are a guide to assess a project's contribution to meeting overall goals and objectives established for the Sheboygan metropolitan planning area in the *Year 2035 SATP* (as amended) and in previous long-range transportation planning efforts. These TIP evaluation criteria appear as Appendix H in most recent TIPs (*Surface Transportation Program Urban System Project Prioritization Policy*). The Sheboygan MPO has recently revised the TIP evaluation criteria to include safety considerations for street and highway, transit capital, and bicycle and pedestrian projects (See Section 1 of this amendment to the *Year 2035 SATP*).

Within the constraints of this financial plan, the projects listed in Chapter 7 of the *Year 2035 SATP* adopted in October 2006 (as revised for bicycle and pedestrian transportation projects in Section 4 of this amendment to the *Year 2035 SATP*, and as revised in the modified implementation schedule for recommended high-cost preservation projects and recommended expansion projects in Table 5.3 of this amendment) are an investment strategy for the Sheboygan metropolitan planning area. The TIP process is the funding tool used to carry out the strategies established in this plan.

Estimating costs and revenues over 30 years is an imprecise process, and the financial plan will be revisited in each plan update. When funding shortfalls arise in any of the modal components of the *Year 2035 SATP*, the MPO will seek to secure additional federal and state funds and examine the possibility of applying additional fees and taxes.