
Chapter 2

Financial Plan

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Chapter 2 — Financial Plan

The TIP contains cost estimates for roadway, transit, freight, bike/pedestrian, air quality, safety, and other transportation investments to be implemented in the 8-county Houston-Galveston metropolitan planning area over a four-year period. Projects include those selected by H-GAC’s Transportation Policy Council using federal and state funds suballocated to the region, projects selected by the Texas Transportation Commission and listed in TxDOT’s 2016 Unified Transportation Plan (UTP) for the years covered by the TIP, as well as projects submitted by transit agencies based on their anticipated 2017-2020 grant applications.

Current law requires that the MPO identify all sources of funding that can be reasonably assumed to be available for programming. The following matrix identifies the sources of funding information used in the 2017-2020 TIP:

Figure 2.1 – Primary Sources of Funding Information

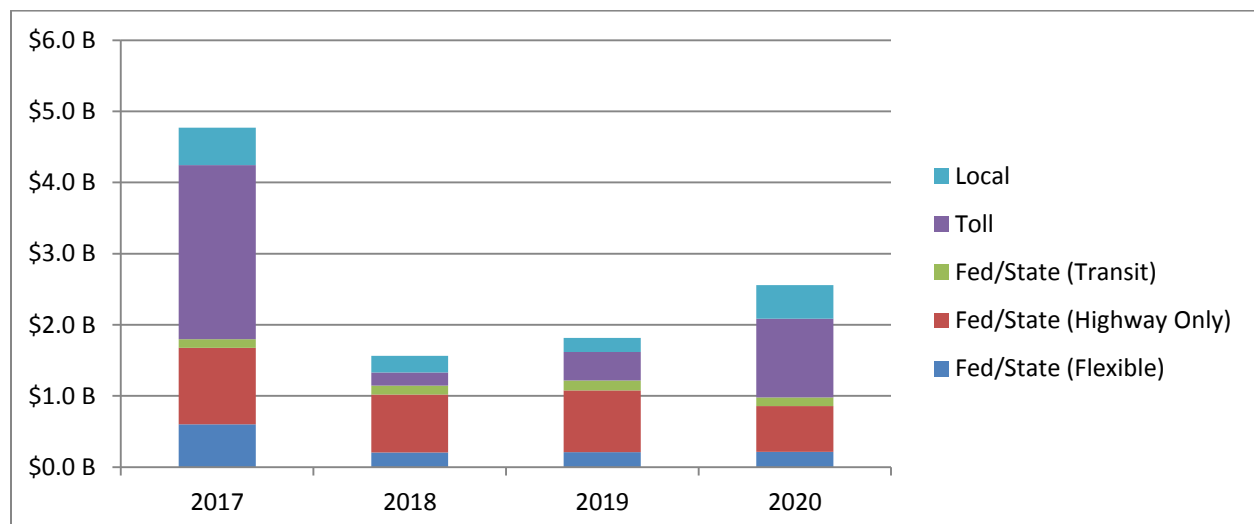
	Highway Programs	Transit Programs
Federal	2016 UTP	Recent FTA Apportionments/Discretionary Allocations
State		2016 UTP
Local/Private	Local Transportation Entities (e.g. City of Houston, HCTRA, METRO)	

Summary

Available Funding

The 2017-2020 TIP reflects approximately \$10.7 billion of transportation investment through federal and state sources and on regionally significant projects using local funding and project revenues (tolls).

Figure 2.2 – Available Funding

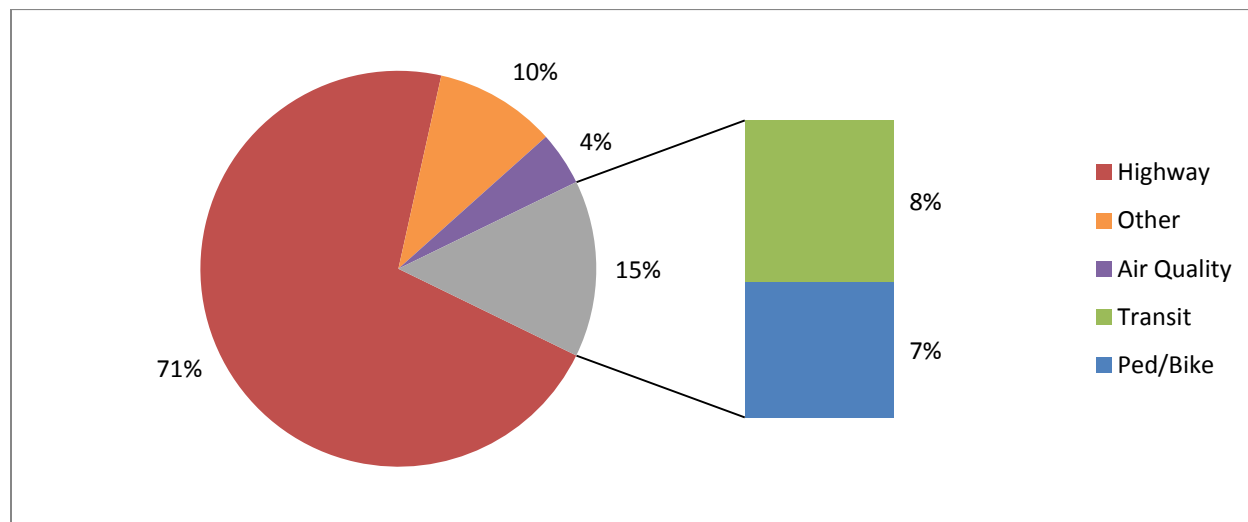


Flexible Federal/State Funds

Of this funding, approximately \$950 million, inclusive of required match, has been programmed by H-GAC using federal and state programs that can support a variety of transportation activities, including highway, transit and pedestrian-bicycle investments.

Allocation of these flexible federal/state funds is guided by policy adopted by the Transportation Policy Council.

Figure 2.3 – Allocation of Flexible Federal/State Funds (As Programmed)



Key Sources of Funding in the 2017-2020 TIP

Federal Programs

The 2017-2020 TIP Financial Plan relies on the estimate of federal surface transportation programs at funding levels articulated in TxDOT's 2016 Unified Transportation Program, as well as recent FTA apportionments and reasonably anticipated discretionary allocations.

The current surface transportation authorization bill, **Fixing America's Surface Transportation Act (FAST Act)**, includes five years of funding authorizations (2016-2020) and represents an increase in funding over previous MAP-21 funding levels.

Federal funds are suballocated for MPO decision-making through the following programs:

- Surface Transportation Block Grant Program (referred to by the existing STP-MM acronym)
- Congestion Mitigation Air Quality Program (CMAQ)
- Transportation Alternatives Program (STP-TAP)

Additional federal funds are administered by the state through statewide programs (e.g. Safety, Bridge, etc.), District suballocations (Metropolitan Mobility [Category 2], Preventive Maintenance, District Discretionary) and discretionary awards made by the Texas Transportation Commission.

State Programs

The 2017-2020 TIP Financial Plan includes new voter-approved sources of state transportation funding as well as continued investment in toll/managed lane roadways through Public-Private Partnerships:

Proposition 1 and Proposition 7

On November 4, 2014 Texans approved Proposition 1, amending the state constitution to authorize a portion of severance taxes levied on oil and gas extraction, ordinarily deposited in the State's Economic Stabilization ("Rainy Day" or ESF) Fund, to be directed toward unmet needs on the state highway system.

On November 3, 2015 Texans approved Proposition 7, amending the state constitution to dedicate portions of general sales tax and motor vehicle sales and rental tax receipts to the State Highway Funds for non-tolled highway projects. Proposition 7 funding dedications are scheduled to begin in fiscal year 2018 with additional dedications beginning in fiscal year 2020.

H-GAC has developed reasonable estimates of funding available under both programs using anticipated dedication levels and historical funding allocations. These amounts are detailed in Table 2-1.

Public-Private Partnerships (PPP)

Legislation passed by the 82nd Texas Legislature granted the Transportation Commission/TxDOT ("the State") authority to enter into public-private partnerships under comprehensive development agreements (CDAs). Through a CDA, the State may contract with another entity to deliver, operate and/or maintain any of the projects specified in the authorizing legislation. Within the H-GAC region, these projects are:

- SH 99/Grand Parkway
- SH 249
- SH 288 (concession agreement executed in 2016)
- US 290 Hempstead Managed Lanes (project planned for FY2030-2035, see H-GAC's 2040 RTP)

Use of PPP/CDA funding in the 2017-2020 TIP meets the federal "reasonably available" requirement as the State has both the authority to utilize CDAs and has a history of successful project delivery through these agreements.

Local Programs

The 2017-2020 TIP continues a trend toward greater reliance upon local sources of funding to make needed transportation investments for all modes. These local sources include local option sales taxes, toll revenues and general appropriations.

Federal-Aid Highway/Public Transportation Operations and Maintenance

The 2017-2020 TIP Financial Plan is required to document that sufficient revenues are available to adequately operate and maintain Federal-aid highways (as defined by 23 U.S.C. 101(a)(5)) and public transportation (as defined by title 49 U.S.C. Chapter 53).

Federal-Aid Highways

The 2016 UTP documents TxDOTs planned expenditures to adequately operate and maintain the state highway system. These costs and required revenues are presented in aggregate at the statewide level, and reflect Department maintenance policies. Some of these expenditures are reflected in the 2017-2020 TIP under Chapter 3 “Highway Project Listing” and Appendix J “Statewide Programs”.

Public Transportation

Adequate operations and maintenance of transit properties is supported through the planned projects shown in Chapter 4 “Transit Project Listing” and the Metropolitan Transit Authority of Harris County (METRO) budget.

- While METRO uses some federal grant funds to support maintenance activities and service-specific operations, the majority of funding is from local sources (farebox, sales tax) that are not reflected in the 2017-2020 TIP. Additional detail is available on METRO’s website at: <http://ridemetro.org/Pages/Finance.aspx>
- Other transit providers in the region rely upon federal funds and local matching funds to adequately operate and maintain their assets. These costs and revenues are reflected in the 2017-2020 TIP.

Financial Tables

The following financial tables are provided to demonstrate fiscal constraint of the 2017-2020 TIP and communicate expected levels of investment to transportation partners and the public:

Table	Purpose
2-1 – Available Funding and Planned Expenditures	Detailed summary of the 2017-2020 TIP to demonstrate fiscal constraint
2-2 – Planned Local Funding Commitments, by Sponsor and Fiscal Year	Yearly summary of local funding programmed in the 2017-2020 TIP grouped by sponsor.



Houston-Galveston MPO - District 12
Initial FY 2017 - 2020 Transportation Improvement Program

Funding by Category

Category	Description	FY 2017		FY 2018		FY 2019		FY 2020		Total FY 2017 - 2020	
		Programmed	Authorized	Programmed	Authorized	Programmed	Authorized	Programmed	Authorized	Programmed	Authorized
1	Preventive Maintenance and Rehabilitation	\$1,200,039	\$115,980,000	\$0	\$93,570,000	\$0	\$89,700,000	\$0	\$0	\$1,200,039	\$299,250,000
2M or 2U	Urban Area (Non-TMA) Corridor Projects	\$151,914,000	\$431,190,000	\$661,941,000	\$708,950,000	\$672,545,000	\$775,240,000	\$641,988,000	\$640,000,000	\$2,128,388,000	\$2,555,380,000
3	Non-Traditionally Funded Transportation Project	\$2,843,279,303	\$2,962,925,321	\$323,252,180	\$322,557,367	\$432,718,888	\$432,718,888	\$1,431,641,022	\$1,431,641,022	\$5,030,891,393	\$5,149,842,598
4	Statewide Connectivity Corridor Projects	\$0	\$20,560,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,560,000
5	CMAQ	\$153,775,457	\$212,780,000	\$47,395,500	\$82,930,000	\$82,848,000	\$84,590,000	\$22,305,000	\$86,350,000	\$306,323,957	\$466,650,000
5 Flex	Map21 Flex	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Metro Mobility & Rehab	\$312,263,341	\$322,470,000	\$57,366,189	\$110,940,000	\$117,959,000	\$113,540,000	\$90,547,000	\$116,380,000	\$578,135,530	\$663,330,000
8	Safety	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Transportation Enhancements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9 Flex	TAP	\$27,364,575	\$44,680,000	\$22,057,144	\$9,370,000	\$4,887,000	\$9,480,000	\$4,563,000	\$9,610,000	\$58,871,719	\$73,140,000
10	Supplemental Transportation	\$0	\$0	\$11,216,521	\$11,216,521	\$0	\$0	\$0	\$0	\$11,216,521	\$11,216,521
11	District Discretionary	\$433,455,000	\$437,115,000	\$0	\$2,500,000	\$0	\$2,500,000	\$0	\$2,500,000	\$433,455,000	\$444,615,000
12	Strategic Priority	\$277,349,623	\$277,349,623	\$0	\$0	\$0	\$0	\$0	\$0	\$277,349,623	\$277,349,623
12C	Strategic Priority RECON	\$0	\$0	\$0	\$0	\$0	\$360,000	\$0	\$0	\$0	\$360,000
12S	Strategic Priority RECON	\$0	\$5,680,000	\$0	\$1,890,000	\$0	\$1,890,000	\$0	\$1,890,000	\$0	\$11,350,000
SBPE	Strategy Budget PE	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SB 102	Strategy 102	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$4,200,601,338	\$4,830,729,944	\$1,123,228,534	\$1,343,923,888	\$1,310,957,888	\$1,510,018,888	\$2,191,044,022	\$2,288,371,022	\$8,825,831,782	\$9,973,043,742

Funding Participation Source

Source	FY 2017	FY 2018	FY 2019	FY 2020	Total
Federal	\$1,055,429,925	\$265,074,683	\$228,875,200	\$93,932,000	\$1,643,311,808
State	\$235,389,388	\$514,548,500	\$608,716,800	\$642,900,600	\$2,001,555,288
Local Match	\$66,502,722	\$20,353,171	\$40,647,000	\$22,570,400	\$150,073,293
CAT 3 - Local Contributions	\$1,595,615,321	\$322,557,367	\$432,718,888	\$1,279,641,022	\$3,630,532,598
CAT 3 - Prop 12	\$0	\$0	\$0	\$0	\$0
CAT 3 - Prop 14	\$0	\$0	\$0	\$0	\$0
CAT 3 - Prop 14 SB	\$0	\$0	\$0	\$0	\$0
CAT 3 - Texas Mobility Fund	\$9,972,682	\$694,813	\$0	\$0	\$10,667,495
CAT 3 - Pass Thru Toll Revenue	\$11,971,300	\$0	\$0	\$0	\$11,971,300
CAT 3 - Regional Toll Revenue	\$1,225,720,000	\$0	\$0	\$152,000,000	\$1,377,720,000
CAT 3 - Match to Regional Toll Revenue	\$0	\$0	\$0	\$0	\$0
CAT 3 - Unique Federal Program - Tiger II	\$0	\$0	\$0	\$0	\$0
CAT 3 - TDC	\$0	\$0	\$0	\$0	\$0
Other - Section 5306	\$0	\$0	\$0	\$0	\$0
Other - Strategy PE Budget	\$0	\$0	\$0	\$0	\$0
Other - Strategy 102 Budget	\$0	\$0	\$0	\$0	\$0
Total	\$4,200,601,338	\$1,123,228,534	\$1,310,957,888	\$2,191,044,022	\$8,825,831,782

Notes:



Houston-Galveston MPO - District 12

Initial FY 2017 - 2020 Transportation Improvement Program

All Figures in Year of Expenditure (YOE) Dollars

Transit Program		FY 2017			FY 2018			FY 2019		
		Federal	Match	Total	Federal	Match	Total	Federal	Match	Total
1	Sec. 5307 - Urbanized Formula >200K	\$74,284,955	\$20,565,186	\$94,850,141	\$72,649,985	\$19,662,064	\$92,312,049	\$0	\$0	\$0
2	Sec. 5307 - Urbanized Formula <200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3	Sec. 5309 - Fixed Guideway Investment	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000,000	\$10,000,000	\$20,000,000
4	Sec. 5337 - State of Good Repair	\$3,600,000	\$900,000	\$4,500,000	\$3,600,000	\$900,000	\$4,500,000	\$0	\$0	\$0
5	Sec. 5339 - Bus & Bus Facilities >200k	\$7,760,223	\$1,940,056	\$9,700,279	\$7,700,000	\$1,925,000	\$9,625,000	\$0	\$0	\$0
6	Sec. 5310 - Seniors&People w/Disabilities >200k	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	Sec. 5316 - JARC >200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	Sec. 5317 - New Freedom >200K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Other FTA	\$0	\$0	\$0	\$0	\$0	\$0	0	0	\$0
10	Regionally Significant or Other (incl FHWA transfers)	\$30,584,000	\$184,805,302	\$215,389,302	\$14,763,200	\$101,173,596	\$115,936,796	\$0	\$163,415,488	\$163,415,488
Total Funds		\$116,229,178	\$208,210,544	\$324,439,722	\$98,713,185	\$123,660,660	\$222,373,845	\$10,000,000	\$173,415,488	\$183,415,488
Transportation Development Credits										
Requested				\$0			\$0			\$0
Awarded				\$0			\$0			\$0

All Figures in Year of Expenditure (YOE) Dollars

Transit Programs		FY 2020			Total		
		Federal	Match	Total	Federal	Match	Total
1	Sec. 5307 - Urbanized Formula >200K	\$0	\$0	\$0	\$146,934,940	\$40,227,250	\$187,162,190
2	Sec. 5307 - Urbanized Formula <200K	\$0	\$0	\$0	\$0	\$0	\$0
3	Sec. 5309 - Fixed Guideway Investment	\$0	\$0	\$0	\$10,000,000	\$10,000,000	\$20,000,000
4	Sec. 5337 - State of Good Repair	\$0	\$0	\$0	\$7,200,000	\$1,800,000	\$9,000,000
5	Sec. 5339 - Bus & Bus Facilities >200k	\$0	\$0	\$0	\$15,460,223	\$3,865,056	\$19,325,279
6	Sec. 5310 - Seniors&People w/Disabilities >200k	\$0	\$0	\$0	\$0	\$0	\$0
7	Sec. 5316 - JARC >200K	\$0	\$0	\$0	\$0	\$0	\$0
8	Sec. 5317 - New Freedom >200K	\$0	\$0	\$0	\$0	\$0	\$0
9	Other FTA	\$0	\$0	\$0	\$0	\$0	\$0
10	Regionally Significant or Other (incl FHWA transfers)	\$14,400,000	\$124,111,814	\$138,511,814	\$59,747,200	\$573,506,200	\$633,253,400
Total Funds		\$14,400,000	\$124,111,814	\$138,511,814	\$239,342,363	\$629,398,506	\$868,740,869
Transportation Development Credits							
Requested				\$0			\$0
Awarded				\$0			\$0

Table 2-2 Planned Expenditures and Local Funding Commitments, By Project Sponsor (\$M, Year of Expenditure)*

Sponsor	FY 2017		FY 2018		FY 2019		FY 2020		2017-2020 TIP	
	Local	Total	Local	Total	Local	Total	Local	Total	Local	Total
BRAZORIA COUNTY	\$211.818	\$245.167	---	---	\$3.412	\$17.062	\$691.277	\$693.185	\$906.508	\$955.414
CITY OF ANGLETON	---	---	---	---	---	---	\$38.897	\$38.897	\$38.897	\$38.897
CITY OF BAYTOWN	\$31.860	\$31.860	---	---	---	---	\$47.309	\$48.181	\$79.168	\$80.040
CITY OF CONROE	\$9.299	\$10.495	\$2.000	\$2.000	\$2.000	\$2.000	\$2.000	\$2.000	\$15.299	\$16.495
CITY OF GALVESTON	\$33.670	\$34.509	---	---	\$8.251	\$9.656	\$20.000	\$20.000	\$61.922	\$64.165
CITY OF HOUSTON	\$6.155	\$32.414	\$0.806	\$4.031	\$0.088	\$2.898	\$6.961	\$7.491	\$14.010	\$46.834
CITY OF KATY	\$2.000	\$2.000	---	---	---	---	---	---	\$2.000	\$2.000
CITY OF LA PORTE	---	---	---	---	---	---	\$8.015	\$8.015	\$8.015	\$8.015
CITY OF LEAGUE CITY	\$1.000	\$5.000	---	---	---	---	\$23.940	\$41.462	\$24.940	\$46.462
CITY OF MISSOURI CITY	\$0.758	\$3.510	---	---	---	---	\$43.756	\$43.756	\$44.514	\$47.266
CITY OF OAK RIDGE NORTH	---	---	\$6.759	\$6.759	---	---	---	---	\$6.759	\$6.759
CITY OF PEARLAND	\$10.528	\$52.639	\$0.768	\$3.839	\$7.008	\$35.042	\$22.456	\$54.482	\$40.760	\$146.003
CITY OF RICHMOND	---	---	---	---	---	---	\$10.939	\$10.939	\$10.939	\$10.939
CITY OF SOUTH HOUSTON	---	---	\$0.310	\$1.552	---	---	---	---	\$0.310	\$1.552
CITY OF STAFFORD	---	---	\$0.359	\$1.795	---	---	---	---	\$0.359	\$1.795
CITY OF SUGAR LAND	\$0.900	\$4.500	---	---	---	---	---	---	\$0.900	\$4.500
CITY OF TEXAS CITY	---	---	---	---	---	---	\$32.000	\$32.000	\$32.000	\$32.000
CITY OF TOMBALL	---	---	---	---	---	---	---	\$28.613	---	\$28.613
CITY OF WALLER	---	---	\$0.320	\$1.599	---	---	---	---	\$0.320	\$1.599
CITY OF WEBSTER	---	---	---	\$8.426	---	---	\$1.021	\$5.105	\$1.021	\$13.531
CITY OF WEST UNIVERSITY PLACE	---	---	---	---	\$2.015	\$10.075	---	---	\$2.015	\$10.075
FBCTRA	---	---	\$55.400	\$55.400	\$78.800	\$78.800	---	---	\$134.200	\$134.200
FORT BEND COUNTY	\$2.759	\$8.226	\$8.820	\$17.360	\$32.137	\$37.011	\$52.136	\$66.536	\$95.853	\$129.133
GALVESTON COUNTY	---	---	\$8.819	\$8.819	---	---	\$243.708	\$319.708	\$252.527	\$328.527
GREATER EAST END MANAGEMENT DISTRICT	---	---	---	---	---	---	\$0.606	\$3.032	\$0.606	\$3.032
GREATER NORTHSIDE MANAGEMENT DISTRICT	---	---	---	---	\$0.398	\$1.989	---	---	\$0.398	\$1.989
GULF COAST CENTER	---	---	\$0.491	\$2.454	\$21.400	\$21.400	---	---	\$21.891	\$23.854
GULF COAST RAIL DISTRICT	---	---	---	---	\$15.351	\$76.756	---	---	\$15.351	\$76.756
HARRIS COUNTY	\$11.365	\$50.162	\$18.803	\$44.502	\$3.978	\$19.892	---	---	\$34.146	\$114.556
HCTRA	\$1,223.170	\$1,223.170	---	---	\$321.000	\$321.000	---	---	\$1,544.170	\$1,544.170
H-GAC	\$3.941	\$29.083	\$1.891	\$10.833	\$3.000	\$15.000	\$3.000	\$15.000	\$11.831	\$69.915
HOUSTON PARKS BOARD	\$0.796	\$3.978	---	---	---	---	---	---	\$0.796	\$3.978
HOUSTON TRANSTAR	\$0.400	\$2.000	\$0.400	\$2.000	\$0.400	\$2.000	\$0.400	\$2.000	\$1.600	\$8.000
MEMORIAL MANAGEMENT DISTRICT	---	---	\$10.860	\$14.302	\$3.426	\$17.132	---	---	\$14.287	\$31.434
METRO	\$130.870	\$245.359	\$116.423	\$197.482	\$144.115	\$154.115	\$120.512	\$120.512	\$511.920	\$717.469
MIDTOWN MANAGEMENT DISTRICT	\$8.814	\$11.544	---	---	---	---	\$0.312	\$1.562	\$9.127	\$13.106
MONTGOMERY COUNTY	---	---	\$129.930	\$129.930	---	\$49.129	\$10.000	\$10.000	\$139.930	\$189.059
NEAR NORTHWEST MANAGEMENT DISTRICT	---	---	---	---	---	---	\$0.549	\$2.743	\$0.549	\$2.743
PORT OF HOUSTON AUTHORITY	\$75.751	\$87.200	\$91.340	\$91.340	---	---	\$42.928	\$42.928	\$210.019	\$221.468
TXDOT BEAUMONT DISTRICT	---	\$887.960	---	\$34.084	---	---	---	\$187.725	---	\$1,109.769
TXDOT HOUSTON DISTRICT	\$31.867	\$1,403.172	---	\$650.733	---	\$623.416	---	\$505.683	\$31.867	\$3,183.004
UNIVERSITY OF HOUSTON	\$34.000	\$34.000	---	---	---	---	---	---	\$34.000	\$34.000
UPPER KIRBY DISTRICT	\$1.943	\$9.713	---	---	---	---	---	---	\$1.943	\$9.713
UPTOWN HOUSTON DISTRICT	\$13.875	\$41.375	\$3.000	\$13.000	---	---	---	---	\$16.875	\$54.375
WESTCHASE MANAGEMENT DISTRICT	\$0.115	\$0.576	\$4.882	\$24.408	---	---	---	---	\$4.997	\$24.984
Grand Total	\$1,847.654	\$4,459.611	\$462.380	\$1,326.648	\$646.781	\$1,494.373	\$1,422.723	\$2,311.556	\$4,379.539	\$9,592.189

*Excludes Statewide Programs, See Appendix J.