

FINANCIAL PLAN

Introduction

When the Intermodal Surface Transportation Efficiency Act (ISTEA) was enacted by Congress in 1991, one of the primary provisions of that original legislation was that the long range transportation plan (LRTP) for an urbanized area must be financially constrained. This meant that a financial plan had to be developed as a part of the LRTP. As subsequent transportation legislation (TEA-21 and the current SAFETEA-LU) became enacted, the financial plan provisions in the legislation have remained fairly consistent.

The financial plan is basically a comparison of existing funding streams with projected needs. The statutory language specifically requires that the financial plan indicate the resources from public and private sources that are reasonably expected to be made available to carry out the LRTP. The federal law also requires that an urban area's financial plan will:

- Demonstrate how the State Transportation Improvement Program (STIP) can be implemented.
- Identify any innovative financing techniques to provide funds for the projects, programs and strategies in the long range transportation plan.
- Identify other transportation projects that would be implemented if additional funds were available.

The federal and state lawmakers who represent the Winston-Salem Urban Area are continuing to face a serious challenge to find sufficient funding to meet our urban area's ever growing transportation needs. Population growth, greater amounts of individual travel, and increases in economic activity and freight shipments are deteriorating the transportation infrastructure, causing congestion and increasing the overall burden on the surface transportation network. Also, the cost of building and maintaining this network has skyrocketed in recent years.

At the same time, North Carolina has less money available to spend on transportation. Gas taxes – a staple of transportation funding – have declined in their purchasing power, are less capable of filling the funding need, and have increasingly become politically difficult to increase. Other funding sources, like North Carolina's general funds, are being squeezed by major items like education.

As a result of these financial constraints, the focus of the Winston-Salem Urban Area 2035 Transportation Plan and the financial plan components has been to significantly reduce the number of major transportation projects that can be objectively accomplished by the 2035 horizon year, and concentrate on making other lower cost type improvements such as intersection modifications, improving the overall traffic signal system, building numerous greenways and sidewalks, modifying existing streets for bicycle accommodations and providing some additional transit services.

In this section, the financial plan for the 2035 Transportation Plan is presented. The financial plan contains several important sections including, the various funding sources for transportation, a review of the historical trends for funding in the Urban Area, a summary of the federal and State funds in the Fiscal Year 2009-2015 State Transportation Improvement Program (STIP), and the Urban Area's projected transportation revenues through the 2035 horizon year are presented.

Street and Highway Funding Revenue Sources

The North Carolina Department of Transportation (NCDOT) is responsible for the funding and implementation of thousands of street and highway projects every year in North Carolina. A variety of federal, State, and, local funds are used to plan, design, construct and maintain these projects. Funding for most of the street and highway projects in the Winston-Salem Urban Area come from the federal government or the State of North Carolina. However, there is a growing shift of the financial burden being placed at the local level as federal and State resources continue to face funding shortfalls. Below is a brief description of each of the major funding categories:

Federal Funds

Each year, highway users pay billions of dollars in highway excise taxes, which end up in the federal Highway Trust Fund. Federal legislation generally requires that funds paid into the Highway Trust Fund be returned to the States for various highway programs. There are four (4) primary categories of federal funds which are usually provided for street and highway purposes in the Winston-Salem Urban Area. The categories include: Surface Transportation Program/Direct Attributable (STP/STP-DA), National Highway System (NHS), Interstate Maintenance (IM), and Congestion Mitigation and Air Quality (CMAQ).

State Funds

The State of North Carolina has been funding street and highway projects since 1921, which is when the North Carolina General Assembly first imposed the gasoline tax of .01 cents per gallon on all motor vehicle fuels sold or distributed in the state. The Highway Fund, along with the Highway Trust Fund and Powell Bill Funds are the three primary revenue sources for street and highway purposes in the Winston-Salem Urban Area.

Local Funding

Municipalities often use local taxes or bonds to build and maintain their streets and highways. The City of Winston-Salem and other municipalities like the Town of Kernersville have passed bond referendums to help build needed streets, widen roads, improve intersections and other improvements like install traffic signals, signs, pavement markings and traffic calming facilities.

Occasionally, street and highway facilities in the Winston-Salem Urban Area are constructed by the private sector, usually as a condition of development. In some locations, portions of planned streets and highways on the Thoroughfare Plan, Collector Street Plan, or small area plans are built. Other minor road widening, turn lanes, sidewalks, greenways and greenway easements, bus stops and shelters are built to serve the development site as well as the overall needs of the general public.

Historical Trends

According to NCDOT's historical records on revenues for street and highway projects for the years 1986 through 2005, most of the funding for street and highway projects in the Winston-Salem Urban Area has been provided at a very slow pace. Through the State Transportation Improvement Program (STIP), the Urban Area has seen the amount of funding (both federal and State) grow by only two (2) percent per year for construction, and about two (2) percent per year for maintenance.

Table A shows that during this two decade period, the Winston-Salem Urban Area has averaged only \$30.241 million per year for construction, \$9.796 million per year for maintenance, for a total of only \$40.037 million per year. In more recent years, from 2001 through 2005, the figures rise to an average of over \$50 million spent on construction and maintenance.

Table A

Winston-Salem Urban Area Metropolitan Planning Organization
2035 Transportation Plan
Street and Highway Projects Expenditures History for 1986-2005

Year	Construction	Maintenance	Yearly Total
1986	\$17,481,930	\$3,722,029	\$21,203,959
1987	\$20,174,585	\$3,765,631	\$23,940,216
1988	\$19,921,850	\$4,308,262	\$24,230,112
1989	\$24,283,205	\$5,047,694	\$29,330,899
1990	\$41,388,217	\$7,538,792	\$48,927,009
1991	\$41,387,528	\$11,638,836	\$53,026,364
1992	\$57,160,752	\$10,112,175	\$67,272,927
1993	\$19,400,388	\$13,348,628	\$32,749,016
1994	\$12,924,815	\$12,483,604	\$25,408,419
1995	\$19,228,030	\$13,112,028	\$32,340,058
1996	\$27,195,135	\$11,121,049	\$38,316,184
1997	\$25,201,101	\$7,357,727	\$32,558,828
1998	\$36,192,742	\$10,232,451	\$46,425,193
1999	\$34,221,409	\$9,749,907	\$43,971,316
2000	\$21,611,016	\$7,342,090	\$28,953,106
2001	\$38,411,910	\$10,295,430	\$48,707,340
2002	\$27,925,058	\$11,904,202	\$39,829,260
2003	\$38,958,058	\$11,842,408	\$50,800,466
2004	\$34,675,546	\$16,336,805	\$51,012,351
2005	\$47,083,802	\$14,657,296	\$61,741,098
Total	\$604,827,077	\$195,917,044	\$800,744,121
Annual Average	\$30,241,354	\$9,795,852	\$40,037,206

Source: North Carolina Department of Transportation, 2007

Notes:

- 1) Construction figures reflect only Federal and State funding, and does not reflect local spending.
- 2) Construction figures are not broken down by Federal and State funding sources.

It should be noted that these figures are only for Forsyth County and does not include the entire urban area, which has expanded into parts of Davidson, Davie and Stokes Counties. Historical data for the entire urban area is currently unavailable. Also, the figures do not include the contributions of the City of Winston-Salem and the Town of Kernersville.

Review of the draft Fiscal Year 2009-2015 STIP

In **Table B**, the draft Fiscal Year 2009-2015 STIP for the Winston-Salem Urban Area shows that there will be at least \$440.9 million in federal and State funds to build new streets and highways, widen existing facilities and make other improvements to increase the capacity and function of the street and highway network in the Urban Area.

This averages to approximately \$63 million per year. Of this amount, the State/federal split in funding is mostly on the State side with State resources providing about \$36.6 million per year, and the federal agencies providing another \$26.4 million per year. Most of the State funding will come from the Highway Trust Fund, averaging about \$31.8 million per year.

Currently, another \$12.4 million of federal and State funds (not including Powell Bill funds) are spent annually for maintenance of the system, including pavement rehabilitation and resurfacing, replacing bridges, safety improvements, railroad crossing improvements, etc. Most of these maintenance funds come from the federal government.

Table B
2009-2015 State Transportation Improvement Program
Street and Highway Revenues

Calculation	STIP Funding Sources (\$000)							STIP Funding Sources Total (\$000)
	NHS	STP or STP-DA	IM	CMAQ and Federal Aid	State	Highway Trust Fund	Other	
Grand Totals (in \$000)	\$17,097	\$149,434	\$14,537	\$3,421	\$13,360	\$222,517	\$20,575	\$440,941
STIP Annual Average (in \$000)	\$2,442	\$21,348	\$2,077	\$489	\$1,909	\$31,788	\$2,939	\$62,992
Federal Programs Total (in \$000)								\$184,489
Annual Federal Average (in \$000)								\$26,356
State Programs Total (in \$000)								\$256,452
Annual State Average (in \$000)								\$36,636

Projected Street and Highway Projects Funding

Based on the historical trends of funding provided at the federal and State levels and the very conservative assumptions for funding in the future, the following table (**Table C**) presents all of the major street and highway projects that are anticipated will be constructed through 2035 in the Winston-Salem Urban Area.

The projects have been assigned to the 2009, 2010, 2012, 2015, 2025 and 2035 horizon years based on their funding availability and cost estimates in the 2009-2015 STIP, the Capital Improvement Programs for Winston-Salem, Kernersville and other municipalities within the MPO, where feasibility studies have been completed for them, or are considered to be high priority projects and are included in the 2007 Transportation Needs Report. For a few projects, the cost estimates were generated using NCDOT's latest estimating figures.

All of the projects cost estimates are in 2008 dollars. However, following the lead of NCDOT in their preparation of the 2009-2015 STIP, an inflation factor of five percent (5%) per year was applied to each project where construction has not already begun. For the projects in the 2025 and 2035 horizon years, given the uncertainty of project construction within that horizon year, the projects were assigned the maximum inflation factor to present a "worst case" scenario.

The total cost estimate for the street and highway projects (in 2008 dollars) is approximately \$2.873 billion. Using an assumed inflation factor for each project, the total cost estimate is approximately \$7.784 billion, of which only \$441 million is currently programmed for funding.

Funding Assumptions

Based on the history of the financing of streets and highways, and the analysis of existing financial resources available to the NCDOT and the Winston-Salem Urban Area, the following

very conservative and general assumptions were made to guide the development of revenue projections through the year 2035:

- As the nation's fleet of personal vehicles becomes more energy efficient, significantly less revenue will come from gasoline taxes and automotive related sources. The use of Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) and Grant Anticipation Revenue Vehicles (GARVEE Bonds) will make up some federal revenue losses.
- Funding from the federal government will continue to increase by two percent (2%) annually through 2015 with the passage of another federal transportation bill. From 2016 through 2025, this percentage will drop to one percent (1%) annually, and from 2026 through 2035, there will be no increase (0%) in federal funds.
- Funding from the State of North Carolina will continue to increase by two percent (2%) annually through 2015. From 2016 through 2025, funding from the State of North Carolina will increase significantly to seven percent (7%) annually as the equity formula is revamped to address transportation needs and not regions, and new sources of funds are developed to build the street and highway system. From 2026 through 2035, the rapid increase in State funding will decline to four percent (4%) annually.
- The NCDOT and all of the municipalities within the MPO will continue to receive a small increase of funding for the maintenance of all street and highway facilities by an average of two percent (2%) annually through 2015. From 2016 through 2025, funding from the State of North Carolina will increase significantly to seven percent (7%) annually as new sources of funds are developed to maintain the street and highway system. From 2026 through 2035, State funding will decline to four percent (4%) annually.
- The Winston-Salem Urban Area is designated as a Transportation Management Area (TMA), and has the authority to direct the expenditures of federal Surface Transportation Program – Direct Attributable (STP-DA) and Congestion Mitigation and Air Quality (CMAQ) funds to various projects in the MPO. These funds will continue to be available for the MPO and will slowly increase by two percent (2%) annually through 2035.
- The City of Winston-Salem, the City of King, the Town of Kernersville, the Town of Lewisville, the Town of Rural Hall and the Village of Clemmons will be the only municipalities to approve of general obligation bonds and/or 2/3 bonds to pay for various local street and highway projects and other local transportation facilities.
- Forsyth County and the surrounding counties in the MPO will gradually use their new authority to build and maintain streets and roads on the State's system.
- The City of Winston-Salem will continue to use the motor vehicle registration tax funds for various City street improvement projects, and this will increase in the 2025 and 2035 horizon years.

Revenue Projections

The following table Table C is a summary of the revenue projections for street and highway projects for the Urban Area through the year 2035. With the conservative projected increases in revenues from the federal government, the State of North Carolina and local municipalities, a total of over \$3.492 billion dollars will be available in the future. Over \$1.116 billion will come from various federal sources while \$2.042 billion will come from the State of North Carolina. Local resources including bond referendums and 2/3 bonds, municipal revenues, developer participation in projects, and other general revenues will provide another \$333.9 million in revenues through 2035. Of the \$3.492 billion dollars expected for the Urban Area, approximately \$818.6 million will be used to maintain the street and highway system, or approximately 23.4% of the total expected revenues.

Table C
Winston-Salem Urban Area Metropolitan Planning Organization
2035 Transportation Plan
2009-2035 Street and Highway Revenue Projections Summary

Federal Construction Funding Sources	2009-2015 Transportation Improvement Program							2009-2015	2016-2025	2026-2035	Grand Totals
	2009	2010	2011	2012	2013	2014	2015	Totals	Totals	Totals	
NHS	\$ 2,442	\$ 2,442	\$ 2,442	\$ 2,442	\$ 2,442	\$ 2,442	\$ 2,442	\$ 17,097	\$ 25,808	\$ 26,979	\$ 69,884
STP/STP-DA	\$ 21,348	\$ 21,348	\$ 21,348	\$ 21,348	\$ 21,348	\$ 21,348	\$ 21,348	\$ 149,434	\$ 225,579	\$ 235,813	\$ 610,826
IM	\$ 1,998	\$ 1,998	\$ 1,998	\$ 1,998	\$ 1,998	\$ 1,998	\$ 1,998	\$ 13,986	\$ 21,113	\$ 22,070	\$ 57,169
CMAQ/Other Federal	\$ 489	\$ 489	\$ 489	\$ 489	\$ 489	\$ 489	\$ 489	\$ 3,421	\$ 5,164	\$ 5,398	\$ 13,983
Federal Total	\$ 26,277	\$ 26,277	\$ 26,277	\$ 26,277	\$ 26,277	\$ 26,277	\$ 26,277	\$ 183,938	\$ 277,664	\$ 290,260	\$ 751,862
Federal Maintenance Funding Sources											
NHS	\$ 4,654	\$ 4,654	\$ 4,654	\$ 4,654	\$ 4,654	\$ 4,654	\$ 4,654	\$ 32,581	\$ 49,182	\$ 51,414	\$ 133,177
STP/STP-DA	\$ 446	\$ 447	\$ 447	\$ 447	\$ 447	\$ 447	\$ 447	\$ 3,130	\$ 4,727	\$ 4,941	\$ 12,798
IM	\$ 2,344	\$ 2,344	\$ 2,344	\$ 2,344	\$ 2,344	\$ 2,344	\$ 2,344	\$ 16,409	\$ 24,771	\$ 25,895	\$ 67,075
Bridge and Safety	\$ 5,283	\$ 5,283	\$ 5,283	\$ 5,283	\$ 5,283	\$ 5,283	\$ 5,283	\$ 36,983	\$ 55,828	\$ 58,361	\$ 151,172
Maintenance Total	\$ 12,728	\$ 12,729	\$ 12,729	\$ 12,729	\$ 12,729	\$ 12,729	\$ 12,729	\$ 89,103	\$ 134,508	\$ 140,611	\$ 364,222
North Carolina Funding Sources											
State	\$ 1,909	\$ 1,909	\$ 1,909	\$ 1,909	\$ 1,909	\$ 1,909	\$ 1,909	\$ 13,363	\$ 28,222	\$ 46,890	\$ 88,475
Trust Fund	\$ 31,788	\$ 31,788	\$ 31,788	\$ 31,788	\$ 31,788	\$ 31,788	\$ 31,789	\$ 222,517	\$ 469,956	\$ 780,819	\$ 1,473,292
Powell Bill	\$ 8,781	\$ 8,957	\$ 9,136	\$ 9,318	\$ 9,505	\$ 9,695	\$ 9,889	\$ 65,280	\$ 146,193	\$ 242,895	\$ 454,368
Small Urban, etc.	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541	\$ 552	\$ 563	\$ 3,717	\$ 8,324	\$ 13,831	\$ 25,872
North Carolina Total	\$ 42,978	\$ 43,164	\$ 43,353	\$ 43,546	\$ 43,743	\$ 43,944	\$ 44,150	\$ 304,878	\$ 652,695	\$ 1,084,435	\$ 2,042,008
Local Funding Sources											
City of Winston-Salem Bonds	\$ 8,240	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ 10,000	\$ 38,240	\$ 50,000	\$ 50,000	\$ 138,240
Winston-Salem 2/3 Bonds	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 15,000	\$ 25,000	\$ 25,000	\$ 65,000
City of King Bonds	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
Town of Kernersville Bonds	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ 15,000	\$ 25,000	\$ -	\$ 40,000
Town of Lewisville Bonds	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ 5,000
Town of Rural Hall Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ 4,000
Village of Clemmons Bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ 6,000
Other Local	\$ 1,500	\$ 1,530	\$ 1,561	\$ 1,592	\$ 1,624	\$ 1,656	\$ 1,689	\$ 11,151	\$ 18,867	\$ 22,998	\$ 53,016
Developer	\$ 500	\$ 510	\$ 520	\$ 531	\$ 541	\$ 552	\$ 563	\$ 3,717	\$ 6,289	\$ 7,666	\$ 17,672
Local Total	\$ 10,240	\$ 17,040	\$ 12,081	\$ 17,122	\$ 12,165	\$ 12,208	\$ 12,252	\$ 93,109	\$ 135,156	\$ 105,664	\$ 333,929
Grand Totals	\$ 92,223	\$ 99,210	\$ 94,440	\$ 99,675	\$ 94,914	\$ 95,158	\$ 95,408	\$ 671,027	\$ 1,200,023	\$ 1,620,970	\$ 3,492,020

Note: The full table of revenue projections for each fiscal year is in the Appendix.

The City of Winston-Salem will approve of and issue \$203.24 million of general obligation and 2/3 bonds following this approximate schedule:

- By 2009 - \$8.240 million in general obligation bonds (to complete the 2000 Bond referendum)
- By 2011 - \$50 million in general obligation bonds
- By 2021 - \$80 million in general obligation bonds
- Through 2035 - \$65 million in 2/3 bonds at about \$5 million every other year

The Town of Kernersville will approve of and issue \$40 million of general obligation and 2/3 bonds following this approximate schedule:

- By 2010 - \$15 million in general obligation bonds
- By 2016 - \$25 million in general obligation bonds and 2/3 bonds

The City of King and Town of Lewisville will each issue \$5 million in general obligation bonds by 2015 to assist in paying for projects, and the Town of Rural Hall and the Village of Clemmons will issue bonds in 2016 to pay for portions of important connector roads in their municipalities.

Future Revenue Needs

The overall projected revenues for street and highway projects in the Winston-Salem Urban Area **will not** meet the estimated cost of **all** of the projects planned within the 2035

Transportation Plan. While not precise, the funding deficit will likely be over **\$2.5 billion!** Most of this deficit is due to the continuing rapid escalation of the cost of construction, federal and State revenues rising at a very slow pace, and projects becoming increasingly difficult to implement because of community concerns, environmental issues, etc. This deficit is very acute in the later horizon years of 2025 and 2035. The planning and engineering of these proposed projects need to be completed to have a better gauge of the overall funding deficits the Urban Area will be facing in the years to come.

Other major street and highway projects needing additional or complete future funding include:

- 1) The entire Northern Beltway, from South Stratford Road (US 158) to US 311;
- 2) Improvements to Business Interstate 40 (US 421) in downtown Winston-Salem, from US 52 to Peters Creek Parkway (NC 150);
- 3) Comprehensive improvements to US 52, from Interstate 40 to the Northern Beltway;
- 4) The Interstate 73/74 Connector (Regional Airport Connector);
- 5) Widening Business Interstate 40 (US 421) from the Northern Beltway east to the split in Guilford County;
- 6) Widening Interstate 40, from US 311 east to Business 40 split in Guilford County; and,
- 7) The US 311 Connector, from Business Interstate 40 to Interstate 40.

Innovative Funding Techniques

Some of the following innovative funding techniques have the potential to offset some of the \$2.5 billion in projected deficit, and likely can help with some of the lower cost road projects, intersection improvements and safety projects:

- Advertising revenue
- Battery Tax
- Bicycle Fees
- Congestion Pricing
- Driver's License Fee Increases
- Drive Through Service Fee
- Electricity Generated by Vehicle Tax
- Emissions Fees
- Facility Tolling
- Fare Programs
- Impact Fees
- Mileage Fee (Vehicle Miles Traveled Fee)
- New Vehicle Tax
- Privatizing Transportation Facilities
- Property Tax, Vehicle Ownership Tax, or Use Fees
- Registration Fees – The City of Winston-Salem is currently using these fees to pay for some transportation improvements
- Rental Car Tax
- Road Utility Fees
- Safety Violation Fee
- Sales Tax on Transportation Related Goods
- Special License Plate Fees
- Studded Tire Fee
- Temporary Visitor Access Fee
- Tire Tax
- Title Fees
- Transportation Impact Fee
- Use Fuels Tax Increase
- Vehicle Impact Fee
- Weight Mile Truck Tax

Public Transportation

Winston-Salem Transit Authority

The Winston-Salem Transit Authority (WSTA) fixed route services receives its funding from directly generated passenger revenues (farebox), miscellaneous revenues (advertisements, vending machines, etc.), the local Mass Transit Tax Fund (MTTF), State and federal grants.

In Fiscal Year 2004-2005 WSTA's funding was derived from the following resources: debt service fund (2%), other operating revenues (4%), Mass Transit Tax Fund Reserves (11%), farebox (18%), Mass Transit Tax Fund Current Revenue (21%), Federal Transit Administration (21%), and North Carolina Department of Transportation (23%). Farebox revenues have slowly climbed since 1996 in which \$1.26 million was collected to \$1.47 million in 2004. It is estimated that \$1.47 million will be collected in 2005.

In the early 1980's the Winston-Salem voters approved the use of a \$.05 levy on real property to support the transit system (Mass Transit Tax). In 1983 and 1984 fiscal years \$.03 of the Mass Transit Tax was levied but since that time the tax rate has decreased. Since 2003, the Mass Transit Tax rate has been \$.015 and is projected to remain at that level in future years.

Since 1996, the Mass Transit Tax Fund current revenues have increased from \$1.59 to \$2.24 million in 2004. It is estimated that it will remain at \$2.24 million in 2005. In 2001, the Mass Transit Tax Fund Reserves had \$1.6 million and have increased to \$3.5 million in 2004. However, if revenues remain at their current level it is estimated by 2008 the Mass Transit Tax Fund Reserves will be completely depleted and negative balances will ensue in future years. If this happens WSTA will be confronted with funding shortfalls.

Future financial options to increase revenues include fare increase (\$.10 increase would render approximately \$100,000); increase certain pass prices; tax rate increase (\$.01 would render approximately \$1.47 million); increase motor vehicle privilege license fee (\$10.00 increase would render approximately \$1.35 million, legislation would be required); and advertising at bus stops. Ideas for decreasing operations cost could include rerouting of service for increased efficiency and/or reduce service levels.

The Public Transportation Project Cost Estimates table is a list of WSTA's capital projects programmed to be implemented from 2005 through 2010.

The federal Highway Trust Fund includes a Highway Account and a Mass Transit Account. Federal funds are distributed to the states annually ("appropriations"), using formulas that are developed by Congress periodically in major transportation funding initiatives ("authorizations"). The federal Mass Transit Account is the primary source of revenues for Federal-aid funding returned to the states for carrying out various public transportation programs. The major categories of funding include the Urban Area Formula Program Capital, Operating and Maintenance Assistance for Cities (Section 5307); Capital Investment and New Starts Programs (Sections 5308 and 5309); Elderly and Persons with Disabilities Formula Program (Section 5310); Non-Urbanized Area Formula Program (Section 5311), Rural Transit Assistance Program (RTAP), STP (federal highway funds may be used for transit purposes), CMAQ, and the Federal Job Access and Reverse Commute (JARC) Program (being implemented by the Winston-Salem Transit Authority).

Historically, a small percentage of federal, State and local funds have been provided for other modes of transportation in the Urban Area, including public transportation, para-transit, greenways, sidewalks, and other pedestrian facilities. Private transportation providers such as airlines, trucking firms, taxis and other vehicles for hire, charter bus companies and intercity bus transportation receive no public funding and are not included in this analysis. The success or failure of these private transportation providers is based on the market demand for the services.

Funding Assumptions

Based on the history of the financing of public transportation capital and operating, facilities, programs and services, the analysis of existing financial resources available to the NCDOT and

the Winston-Salem Urban Area, the following very conservative and general assumptions were made to guide the development of revenue projections through the year 2035:

- The funding of regional public transportation and passenger rail transportation projects through the Piedmont Authority for Regional Transportation (PART) and the proposed Winston-Salem Streetcar system are not included in the financial plan because the necessary planning and engineering studies have not been completed.
- The funding and operation of the Winston-Salem Transit Authority (WSTA) public transportation system will struggle for the next several years despite the increased use of the City's Mass Transit Tax Fund, and other financial resources. By 2015, WSTA will be operated by PART as a part of the overall regional transportation system.

Bicycle and Pedestrian

Funding Assumptions

Based on the history of the financing of bicycle and pedestrian projects, and the analysis of existing financial resources available to the NCDOT and the Winston-Salem Urban Area, the following very conservative and general assumptions were made to guide the development of revenue projections through the year 2035:

- Funding for bicycle paths, greenways, sidewalks and other pedestrian facilities will continue to increase at an average of five percent (5%) annually by a variety of federal, State and local sources.