



TPP Update: Highway Revenue

TAC Funding and Programming Committee
October 19, 2017

Context

- MPO Boundary is 7 Counties + 5 Cities in Wright & Sherburne County
- All Road Authorities (State, Counties & Municipalities)
- 2015-2040
- Local Revenue anticipated to increase at 2% per year
- Construction costs anticipated to increase at 4.5% per year

State Methodology

- 2015-2017 Historical Data
- 2018-2037+ MnSHIP
 - MnDOT provided Metro share of state revenue
 - Mobility \$ until 2023
- 2017 State Legislation
 - Corridors of Commerce: 50% of \$400 M
 - Parts sales tax/bonding: 42.3% of \$1 B
- Part of MnDOT D3 added in at same per capita rate as Metro

Local Methodology

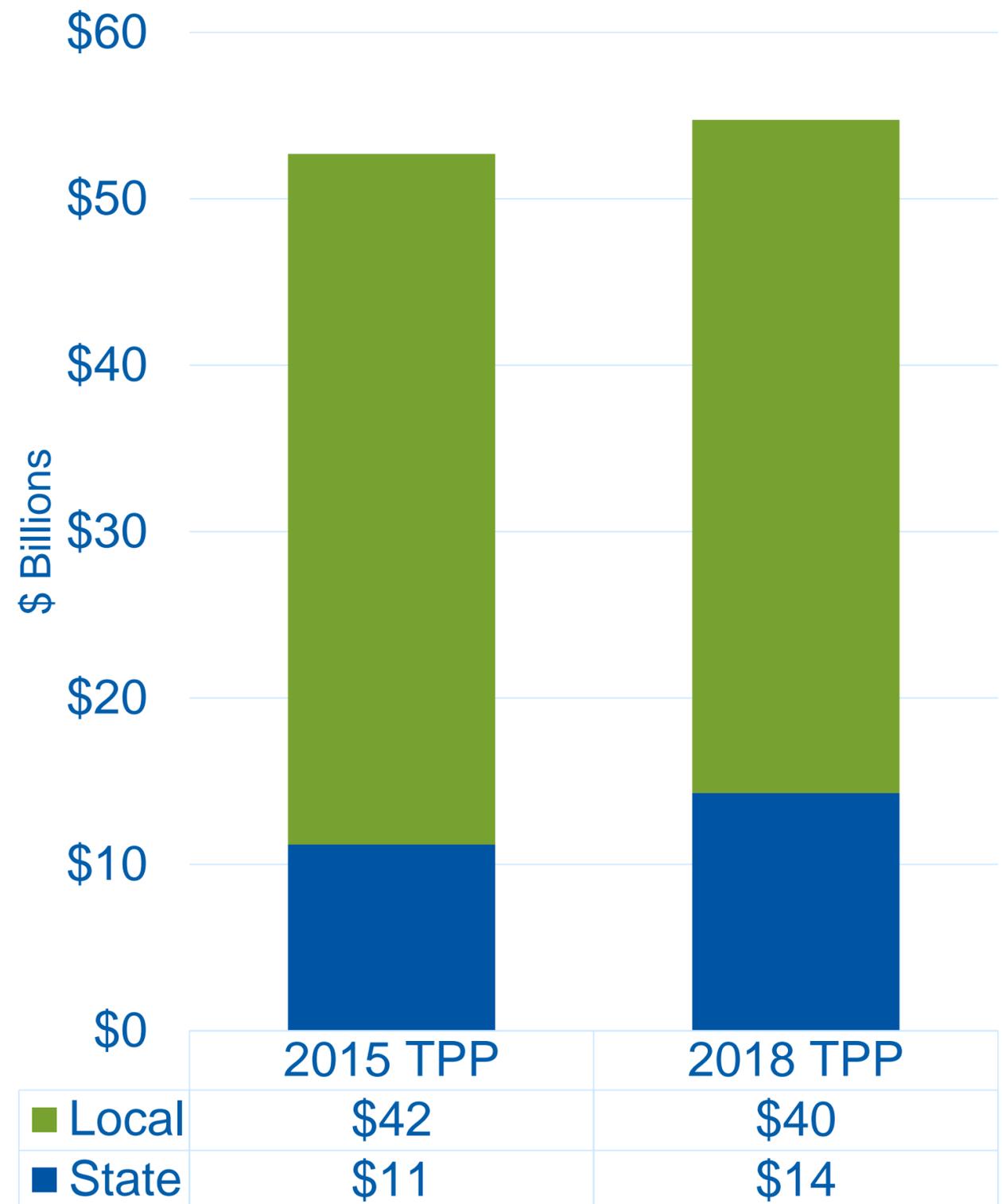
- Total expenditures from 2011-2015 State Auditor reports from Counties and Municipalities
 - State Aid
 - Regional Solicitation
 - Property tax & assessments, sales tax, wheelage tax
- Revenue projected through 2040 at 2% growth rate

Local Methodology Adjustments

- Parts of Wright & Sherburne Counties added in at same per capita rate as 7 county area
- 2017 changes to MVLST (-\$104 M, 2018-2027 forecast from MnDOT, constant rate of change through 2040)
- Carver Sales & Wheelage Tax increases (+\$123 M)
- Ramsey Wheelage Tax Increase (+\$115 M)
- Dakota shift of sales tax from transit to roads not yet reflected
- Scott new revenues since October 2015 not yet reflected

Results

- **Total**
 - Was \$53 B
 - Draft is \$55 B (rounding)
- **Local**
 - - \$1 B (2.5%)
- **State**
 - + \$3 B (27.6%)



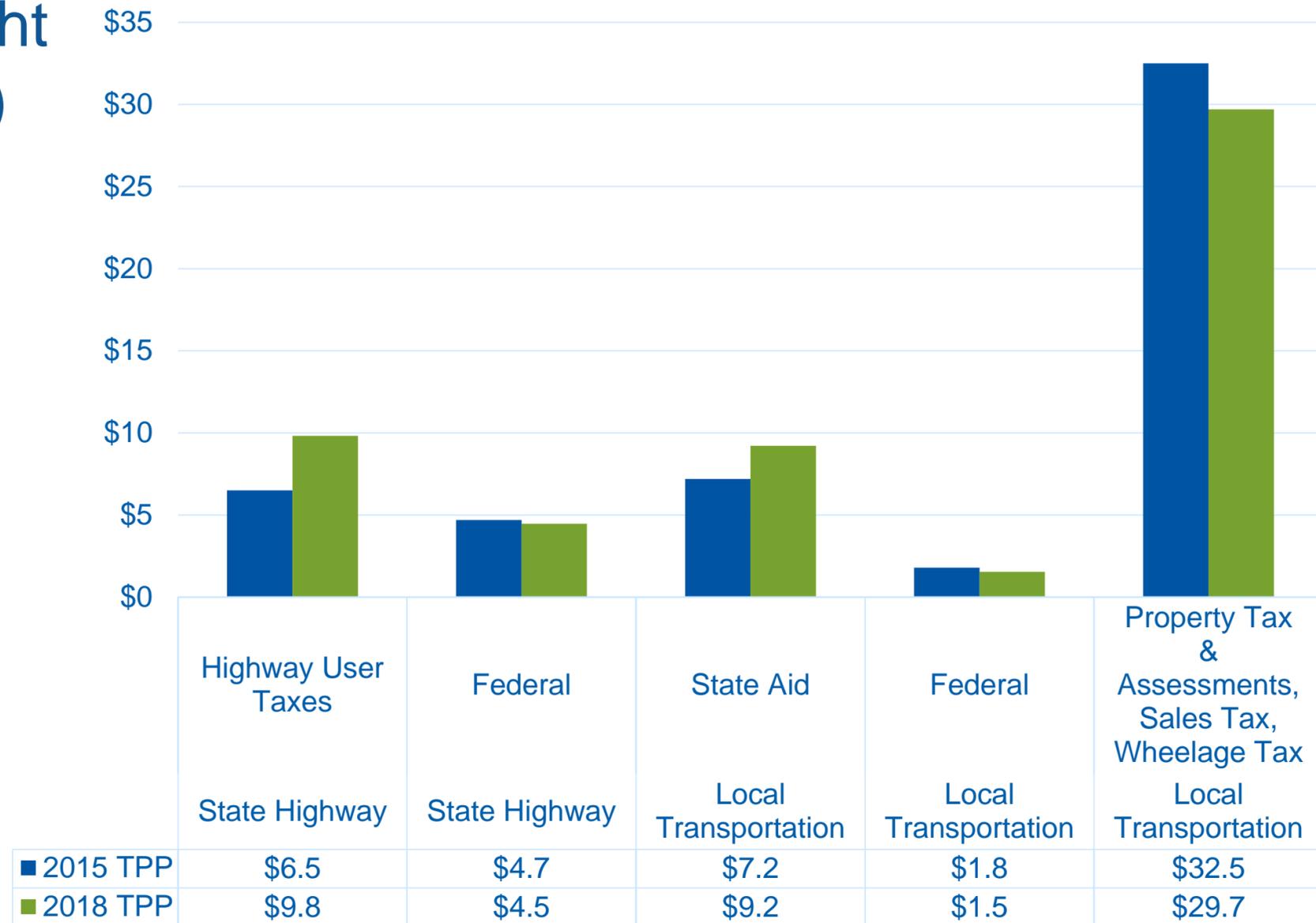
Changes

- Accounting

- MnDOT Ops (+\$2.5 B)
- Urbanized Part of Wright & Sherburne (+ \$1.2 B)
- Local Expenditures increasing at 2% (was 2.5%, -\$3.2B)

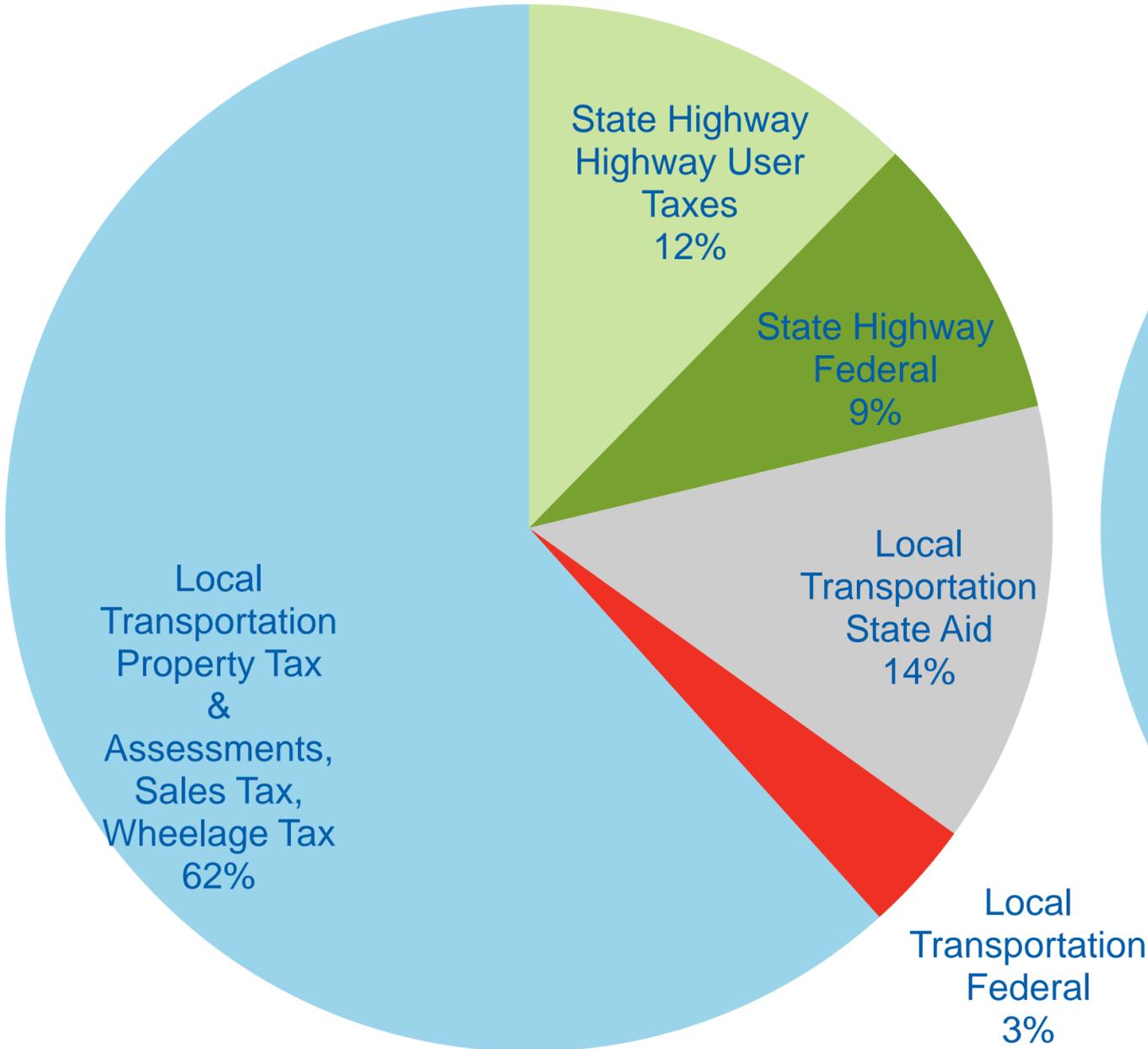
- Actual

- 2017 Legislature \$ to MnDOT (+ \$623 M)
- Ramsey & Carver Tax Increases (+ \$238 M)

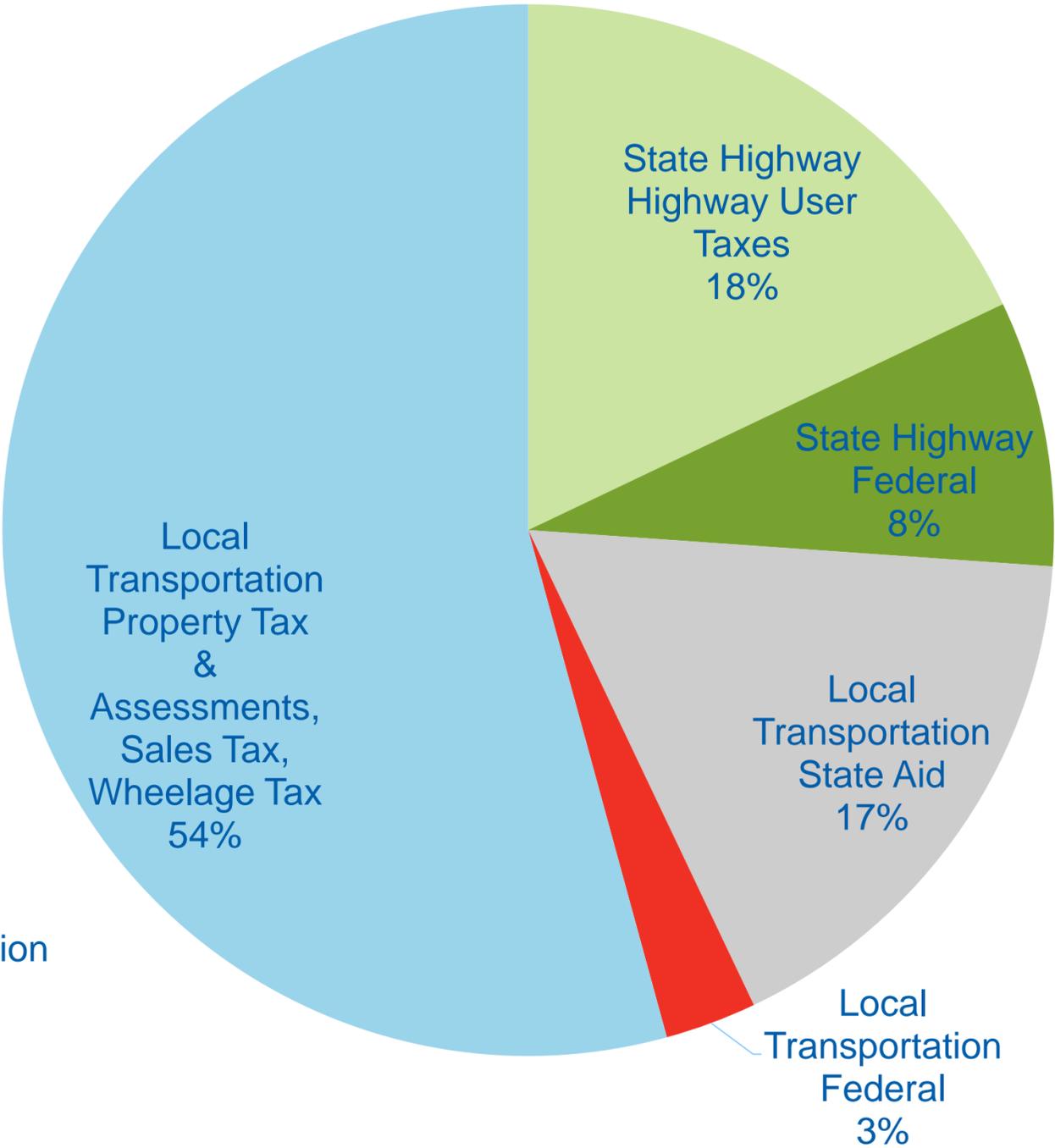


Shares

2015 TPP



2018 TPP



Inflation Example: MnDOT



	Inflation Assumptions		2017-2040 Results			2040 Results		
	Revenue	Costs	Spending	Loss to Inflation	Spending	Loss to Inflation		
Operations	2%	3.2%	\$4,258	\$1,329	31%	\$233	\$120	52%
Capital	2%	4.5%	\$8,975	\$3,292	37%	\$368	\$234	64%

Questions

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