

Introduction

Beginning with the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) transportation plans prepared by metropolitan areas like the Dubuque Metropolitan Area Transportation Study (DMATS) have been required to be financially constrained. Financially constrained means that the plan must identify the projected or expected financial resources to be available over the 25-year planning period for the transportation improvements listed in the plan. The plan must identify a prioritized list of projects with costs that is constrained to the total amount of expected funding over the next 25 years. In other words, the transportation plan must identify a transportation improvement budget for the 25-year plan and show how the area proposes to spend the budget. This is to provide a clear picture of the projected financial resources that are expected to be available in relation to the transportation improvement priorities of the area.

DMATS is required to identify financial resources from three different sources: The MPO (DMATS), State(s) (Iowa, Illinois and Wisconsin), and Local Governments. However, DMATS is not able to commit either state or local sources as a financial contribution to any project. DMATS can indicate that it believes a contribution from either a state or local government is appropriate, but that financial contribution still requires the action of the governmental entity.

In addition, there are two types of financial resources. The finance element must consider federal funds either from the MPO or from one (or more) of the states. The finance element must also consider local funds from either state or local sources. As noted above, DMATS is only able to program federal funds and those federal funds can only be used for improvements to federally eligible facilities. There are only two jurisdictions for the purposes of transportation projects: State jurisdictions (Iowa, Illinois and Wisconsin), or Local jurisdictions.

This chapter is made up of two parts. The first is a forecast of the federal and local funds that will be available to DMATS and its members in the next 25 years for transportation improvements. The forecasts of federal and local funds available in this finance element have been calculated on the basis of constant year 2005 dollars. Inflation factors have been used to try and forecast inflated dollars in future years. The second part of the chapter is the funding priorities for expenditure of federal transportation funds as determined by the DMATS Policy Board. The projects and projected costs are described in greater detail in Chapter 3. It should be noted that the forecast of project costs is also on the basis of constant year 2005 dollars. Finally, it should also be noted that the revenue forecasts in the finance element are for those sources of revenue that are currently available on a regular basis. Other fund opportunities exist in the form of short term programs or grant funds that could be used for priority projects. Since these other types of funding cannot be predicted, they have not been included in this financially constrained finance element.

DMATS Federal Funds

At the present time, DMATS has two sources of federal funds for transportation facility construction. DMATS receives Surface Transportation Program funds (STP) from both Iowa and Illinois. DMATS also receives Transportation Enhancement (TE) funds from the State of Iowa. At this time, DMATS does not receive a regular allocation of either STP or enhancement funds from Wisconsin.

Iowa STP Funds

STP funds represent the federal funding main resource that can be committed by DMATS to transportation improvements. STP funds are provided to the State of Iowa by the federal government through the Federal Highway Administration (FHWA) on the basis of a formula that is set in the omnibus federal transportation authorization, SAFETEA-LU. The State of Iowa then passes a percentage of its total STP fund allocation from the federal government through to DMATS and the other eight MPOs in Iowa. STP funds are the most flexible of all the federal transportation funding categories and can be spent for all surface transportation projects including either improvements or maintenance, on federal or state highways, on federally eligible local roads or on eligible non-roadway projects like bicycle and pedestrian transportation facilities. Eligible project types include:

- Road or bridge projects on the federal-aid system, which includes all federal functional class routes except local and rural minor collectors (see exception under “qualifications for funding”);
- Transit capital improvements;
- Bicycle and pedestrian facilities; and
- Transportation planning activities.

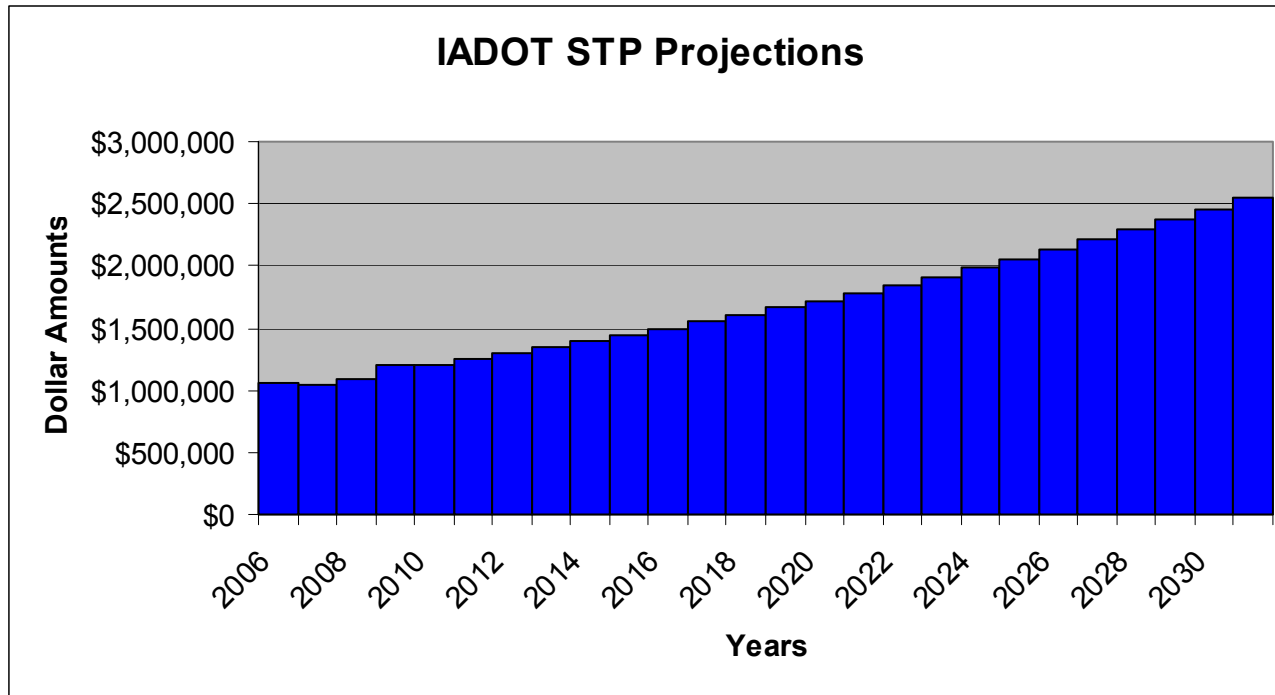
It should also be noted that the DMATS Policy Board has chosen to revise previous funding commitments. IA 32/Southwest Arterial, \$6,000,000 to 11,000,000 was made by the DMATS Policy Board based on an alignment for the IA 32/Southwest Arterial project as identified in the project Environmental Assessment and on the estimated cost for that proposed project.

Due to the requirement in SAFETEA-LU that the DMATS transportation plan to be a 25-year plan, it is necessary to forecast the amount of STP funds that will be available to DMATS during that period. As with any future forecast, there is a great deal of uncertainty regarding the amount of STP funds that will be available to DMATS in the future. The greatest source of uncertainty is that there has not been a federal legislative commitment to continue providing these funds to the State of Iowa after 2009. Although it seems unlikely that the federal government will cease transportation funding at any point in the future, there is no assurance of future federal funding levels. Due to this uncertainty, the forecast of federal STP funds that will be available to DMATS in the years 2006 to 2031 has been based on the rate at which the funding has increased in the recent past.

Since 1995, federal STP funding received by DMATS has increased by 3.6% per year. If this rate of increase prevails through 2031, DMATS will have **\$43,980,293** in federal STP funds to expend for projects through 2031. **Chart 9-1** below shows the anticipated STP funding from Iowa DOT from year 2006 to 2031.

Chart 9-1

Finance Resources Forecast For IADOT



Illinois STP Funds

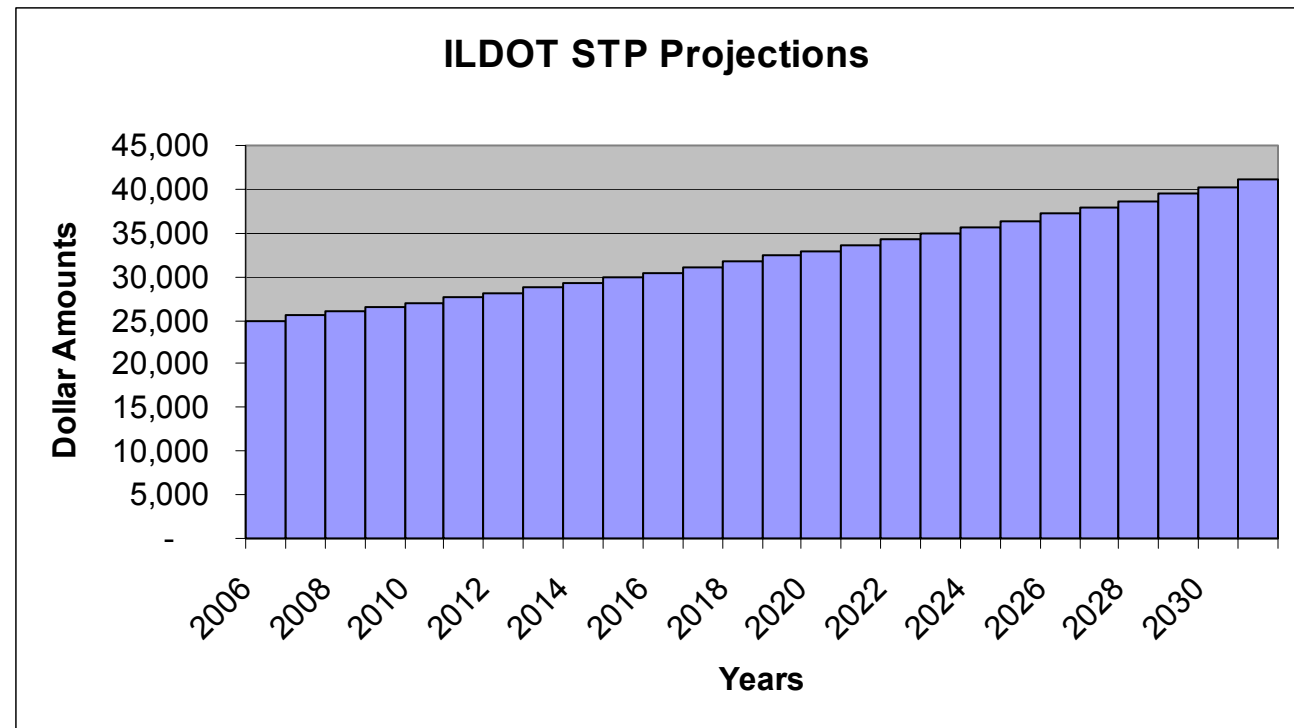
In many ways, the situation regarding Illinois STP funds is similar to that described above for Iowa STP funds. The Illinois STP funds can be used for the same purposes and as was the case in Iowa, represent a pass-through of federal funds. The main difference is that DMATS receives a much smaller amount of Illinois STP funds on a yearly basis. For example, total Illinois STP funds that will be available to DMATS during SAFETEA-LU (2005-2009) will only be **\$130,000**.

Due to the small amounts of funding available, there have only been three projects undertaken with DMATS Illinois STP funds. As with the forecast of Iowa STP funds described above, any forecast of Illinois STP funds is full of uncertainty. Overall, Illinois STP funds have been increasing at a rate of 2% per year. Based on this figure, the total Illinois STP funds that will be available to DMATS between 2006 and 2031 is **\$841,773**.

In the past, due to the small amount of funding available, it has been the policy of the DMATS Policy Board to allow the three Illinois jurisdictions represented on the DMATS Policy Board (East Dubuque, Jo Daviess County and Illinois DOT) to recommend the projects that should be funded with these monies. However, this is a discretionary decision for the DMATS Policy Board and the funds could be programmed in any manner the Policy Board desires.

Chart 9-2

Finance Resources Forecast for ILDOT



It is important to note that STP funds require a 20% match of local funds. The 20% match on the above amount totals **\$210,443**. **Chart 9-2** shows the anticipated STP funding from Illinois DOT from year 2006 to 2031.

Iowa Transportation Enhancement Funds

Under SAFETEA-LU each state is required to set aside a portion of its total STP funding for transportation enhancements. The purpose of the TE program is to improve the public enjoyment of the transportation system and reduce environmental impacts. Eligible project types include:

- Facilities for pedestrians and bicycles;
- Acquisition of scenic easements and scenic or historic sites;
- Scenic or historic highway programs, including provision of tourist and welcome center facilities;
- Landscaping and other scenic beautification, including graffiti and litter removal;
- Historic preservation;
- Rehabilitation and operation of historic transportation buildings, structures or facilities, including historic railroad facilities and canals;
- Preservation of abandoned railway corridors, including the conversion and use of those corridors for pedestrian or bicycle trails;
- Control and removal of outdoor advertising;
- Archaeological planning and research; and/or
- Environmental mitigation to address water pollution due to highway runoff, or reduce vehicle-caused wildlife mortality while maintaining habitat connectivity;
- Provision of safety and educational activities for pedestrians and bicyclists;
- Establishment of transportation museums;

The state of Iowa has chosen to provide a portion of the transportation enhancements funds to DMATS and other MPO's for programming of projects that are of area interest. The estimated amount of total funds available to DMATS for the 5-year SAFETEA-LU legislation is **\$590,000**. These funds require a 20% match.

In the recent past, the amount of Iowa Transportation Enhancement funds available for programming by DMATS has been growing at an annual rate of 1.2% per year. All the same uncertainties described above for Iowa STP funds also apply to Iowa Transportation Enhancement funds. Nonetheless, based on the annual rate of increase, during the period from 2006 to 2031, DMATS will have an additional **\$2,937,497** in Iowa Transportation Enhancement funds. As noted above these funds require a 20% local match. The required local match for the transportation enhancement funds identified above is **\$734,374**.

Earmarks

DMATS area received **\$ 52,682,633** obligated amount through SAFETEA-LU Bill of which **\$2,292,740** is for Mississippi river trials, **\$4,790,800** is for Great River roads, **\$ 23,144,857** is for IA 32/SW Arterial and **\$22,454,236** is for Julien Dubuque Bridge.

Local Funds

In the finance element of a Metropolitan Planning Organization transportation plan, local funds really serve two purposes: the first is to provide match against the available MPO Federal Funds. All the federal funds available to DMATS have a 20% required match. As a result, the total local match that could be required is **\$20,324,791** (**\$8,423,500** match for Earmarks, **\$10,576,973** match for Iowa STP, **\$734,374** match for Iowa Transportation Enhancements, **\$210,443** match for Illinois STP). The second use for local funds in the DMATS transportation plan finance element is to make up for shortfalls in federal funds with local funds. As noted above, such a commitment of local funds cannot be required by DMATS.

The following describes the forecast of local funds available for each of the DMATS member local governments and compares that amount with match required for federal funds that will be available. The purpose of this analysis is to insure that sufficient local funds will be available to match the DMATS Federal funds, not to commit any particular local government to a financial commitment to any particular project.

Transportation Maintenance versus Transportation Improvements

SAFETEA-LU places a high priority on maintenance of the existing transportation system. SAFETEA-LU requires that maintenance needs for the existing transportation system be met before improvements to the transportation system can be implemented. DMATS federal funds have historically been spent for transportation improvements. In the following analysis, the expenditure of local funds has been separated into spending for transportation improvements and spending for transportation maintenance. Spending for transportation maintenance has not been included in consideration for matching funds. It is not DMATS policy that transportation system maintenance be reduced to fund improvements to the transportation system.

Iowa Local Governments

Three DMATS member local governments were determined to have a sufficient transportation budget to merit consideration in the finance element: City of Dubuque, City of Asbury and Dubuque County. **Chart 9-3**, shows the anticipated funding from local governments on the Iowa side from year 2005 to 2031. The following describes the forecast for each of those jurisdictions:

City of Dubuque

The City of Dubuque Public Works Department provided information on recent expenditures for transportation from 2000 to 2006 for both maintenance and improvements. During that period, expenditure for maintenance increased by 2.7% per year and expenditures for improvements increased by 3% per year. Based on these rates, the total available to the City of Dubuque for transportation improvements during the 25-year period was determined to be \$415,388,107.

City of Asbury

The City of Asbury provided information on recent expenditures for transportation from 2000 to 2006 for both maintenance and improvements. During that period, expenditures for maintenance increased by 1.97% per year. Due to the fact that Asbury is a small city, its transportation improvement budget varied tremendously. Some years had little or no expenditure for improvements and in other years the expenditures for improvements were very high. It was apparent that the transportation improvement expenditure varied as the city saved money towards particular projects. As a result, the trend line for transportation improvements was determined to be unreliable for projecting improvements expenditures. Instead, Asbury's transportation improvements expenditures were forecast using the average of the 5-year period (\$298,464) and projecting it for the 25-year period using the rate of increase in maintenance expenditures or 1.97%. Using this method, the total available for transportation improvements for Asbury from 2006 to 2031 was forecast to be \$10,508,078.

Dubuque County

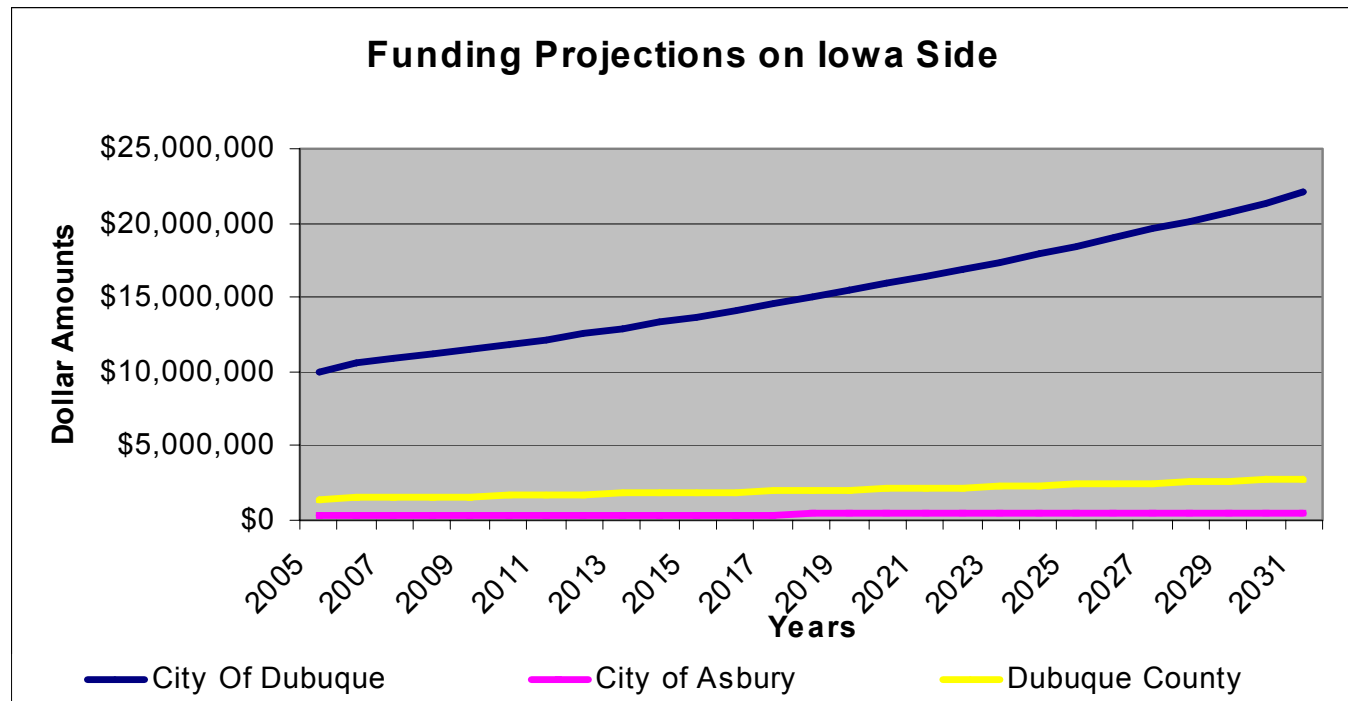
The Dubuque County Engineer provided data on county expenditures for transportation maintenance and improvements for the period from 2000 to 2006 for this analysis. Dubuque County is different from the City of Dubuque and City of Asbury in that the entire county jurisdiction is not within the DMATS area. In fact, only 25% of Dubuque County road-lane miles are within DMATS. For the purposes of this analysis that figure was applied to the Dubuque County expenditures to estimate the DMATS portion of the entire budget. Using that method, it was determined that Dubuque County expenditures for transportation improvements was increasing by 2.8% annually and the expenditures for maintenance was increasing by 2.5% annually. Using this factor, it was determined that the total available for transportation improvements for the DMATS portion of Dubuque County from 2000 to 2031 was forecast to be \$55,212,118.

Summary

It is expected that during the 25-year period from 2006 to 2031 covered by this plan that the three main Iowa local governments in the DMATS area will spend a total of \$167,744,325 on transportation improvements. As noted above, \$17,515,448 is expected to be needed from Iowa local governments to match the federal transportation funds that are projected to be available through DMATS. As a result, it appears that sufficient local funds will be available to match the federal funds proposed to be spent by DMATS as part of this plan. When further project information is developed, it will be possible for the local governments involved to determine the actual amount of their contribution towards the prioritized projects.

Chart 9-3

Finance Resource Forecast Local Governments on Iowa Side



Illinois Local Governments

As noted above, the situation with regard to both local and federal funds is quite different in Illinois. In regard to local governments, there are only two to be considered in the Illinois portion of DMATS, the City of East Dubuque and Jo Daviess County. In addition, DMATS will receive a much smaller amount of federal funds for expenditure in the Illinois portion of DMATS, only \$841,773. This sum will require a local match of only \$210,443. As noted above, the purpose of this analysis is to insure that sufficient local funds will be available to match the DMATS Federal funds, not to commit any particular local government to a financial commitment to any particular project. **Chart 9-4** shows the anticipated funding from local governments on Illinois side from year 2005 to 2031.

City of East Dubuque

Information on City of East Dubuque expenditures for transportation maintenance and improvements were provided by the East Dubuque City Manager for the period from 2000 to 2006. During that period, no city funds were expended for transportation improvements. Maintenance expenditures increased by 2.2% per year. Based on that rate, the City of East Dubuque can be expected to spend \$1,855,000 on transportation maintenance during the period from 2006 to 2031.

Jo Daviess County

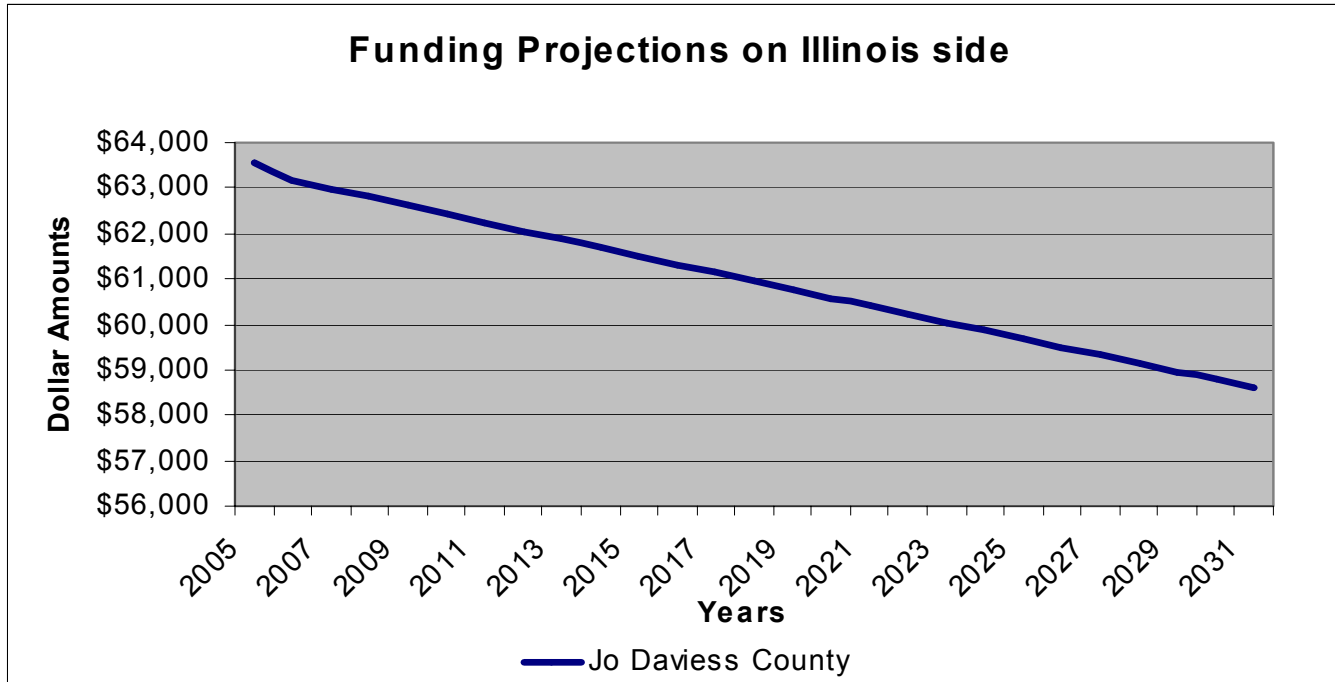
The Jo Daviess County Engineer provided data on county expenditures for transportation maintenance and improvements for the period from 2000 to 2006. Jo Daviess County is similar to Dubuque County in that less than 1.0% county road-lane miles are actually in the DMATS area. The same approach was used to estimating county expenditures for transportation improvements in the DMATS area as was used for Dubuque County above. During the period from 2000 to 2006, expenditures by the county for transportation improvements decreased at an average rate of 0.3% per year and expenditures for transportation maintenance decreased at an average rate of 3.5% per year. Based on these rates, total expenditures by Jo Daviess County for transportation improvements between 2006 and 2031 will be \$1,646,000.

Summary

It is expected that during the 25-year period from 2006 to 2031 covered by this plan that the two main Illinois local governments in the DMATS area will spend a total of \$1,646,000 on transportation improvements. As noted above, \$210,443 is expected to be needed from Illinois local governments to match the federal transportation funds that are projected to be available through DMATS. As a result, it appears that sufficient local funds will be available to match the federal funds proposed to be spent by DMATS as part of this plan. When further project information is developed, it will be possible for the local governments involved to determine the actual amount of their contribution towards the prioritized projects.

Chart 9-4

Finance Resource Forecast Local Governments on Illinois Side



State Department of Transportation Funds

The three state departments of transportation present a somewhat different situation with regards to financial planning for transportation improvements and financial constraint. Each of the states have five-year plans that are financially constrained.

The Dubuque region represents an extremely small part of the total transportation responsibility for any of the three states. As a result, projects in the Dubuque area are evaluated by the three Departments of Transportation based on their relative importance in light of statewide transportation priorities. Historically, if the proposed projects are of great enough importance to the state Departments of Transportation, they are built without consideration of a contribution from DMATS of federal funds.

As a result, it is anticipated that projects proposed in this plan on National Highway System roads will be studied and ultimately funded in the DMATS area due to their importance to the statewide transportation systems of the three states. It will be the responsibility of the three state Departments of Transportation to provide the great majority of the funding and to meet the requirements for financial constraint. DMATS should only contemplate a contribution to NHS road projects in the region as far as it advances a priority regional interest.

Financial Prioritization

Table 9-5 shows the financial summary for DMATS Area. **Table 9-6**, shows the financial priorities for transportation improvement projects that have been selected by the DMATS Policy Board. All the projects proposed in the plan are listed down the left side of the table with estimated costs for both the environmental and engineering studies, and also the estimated development costs for the proposed projects. The table is split into four sections: projects on National Highway System, projects on state primary road system, projects that are on federally eligible local roads and trail projects in metropolitan planning area.

There are four columns in the table, each for a different federal or local funding source. The **Iowa STP** column shows the prioritized expenditures of DMATS Iowa STP funds between 2006 and 2031. A total of **\$43,980,293** is expected to be available for expenditure. The **Iowa Enhancement** column shows the prioritized expenditures of DMATS Transportation Enhancement funds from the state of Iowa. Based on trends described above the region can expect to receive an additional **\$2,937,497** between 2006 and 2031. The **Illinois STP** column shows the prioritized expenditures of DMATS Illinois STP funds between 2006 and 2031. Based on current trends, DMATS can expect a total budget of these funds of **\$841,773**. The fourth column is headed "**Local Funds**." This column shows the amount of local funds that will need to be committed to match proposed expenditures of federal funds. This column does not propose a specific source for the local funds and does not imply a commitment by any particular local government to supply the local match. This column simply shows the amount of local funds that will be necessary to provide the required local match.

Table 9-5

DMATS Financial Summary

Earmarks Available through SAFTEA-LU	\$33,878,397
IADOT (2006-2031)	\$60,000,000
IA STP (2006-2031)	\$43,980,293
IL STP (2006-2031)	\$841,773
IA Enhancement (2006-2031)	\$2,937,497
Local Funds (2006-2031)	\$20,324,791
Other Source of funding (2006-2031)	\$31,880,371
Total	\$193,843,122
National Highway System Projects	\$66,100,000
State Primary Road Projects	\$70,000,000
Local Road Projects - Federally Eligible	\$35,539,000
Trail Projects - Federally Eligible	\$15,897,325
Project Inflation	\$6,306,797
Total	\$193,843,122
National Highway System Projects	\$162,000,000
State Primary Road Projects	\$200,250,000
Local Road Projects - Federally Eligible	\$2,660,000
Total	\$364,910,000*

* \$3,650,000 is used from earmark funds for Julien Dubuque Bridge. The remaining funds for The bridge are not taken into consideration as the project is treated as Illustrative.

Table 9-6

DMATS Priorities for Federal Funds

Type of Projects	Funding Source							
	Total Cost	Iowa STP	Illinois STP	Iowa Enhance.	Local Funds	IADOT Funding	Earmark Funds	Additional Funding Required
National Highway System Projects								
US 20 West from Peosta Interchange to Devon Drive	\$60,000,000	\$0	\$0	\$0	\$0	\$60,000,000	\$0	\$0
Plumb Street Extension in East Dubuque	\$3,650,000	\$0	\$0	\$0	\$0	\$0	\$3,650,000	\$0
US 20 Repaving	\$2,450,000	\$0	\$0	\$0	\$0	\$0	\$2,450,000	\$0
Total	\$66,100,000	\$0	\$0	\$0	\$0	\$60,000,000	\$6,100,000	\$0

Type of Projects	Total Cost	Iowa STP	Illinois STP	Iowa Enhance.	Local Funds	IADOT Funding	Earmark Funds	Additional Funding Required
State Primary Road Projects								
Ia 32-Southwest Arterial (Two Lane)	\$70,000,000	\$10,000,000	\$0	\$550,000	\$8,423,500	\$0	\$23,144,000	\$27,882,500
Ia 32-Northwest Arterial US 20 to US 52	Not estimated	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$70,000,000	\$10,000,000	\$0	\$550,000	\$8,423,500	\$0	\$23,144,000	\$27,882,500

Table 9-6

Funding Source

DMATS Priorities for Federal Funds continued

Type of Projects	Total Cost	Iowa STP	Illinois STP	Iowa Enhance.	Local Funds	IADOT Funding	Earmark Funds	Additional Funding Required
Local Road Projects - Federally Eligible								
Asbury Road from University Ave to IA 32 NW Arterial	\$12,612,000	\$10,089,600	\$0	\$0	\$2,522,400	\$0	\$0	\$0
Asbury Road from IA 32 NW Arterial to Seipple Rd	\$4,700,000	\$3,760,000	\$0	\$0	\$940,000	\$0	\$0	\$0
North Cascade Rd	\$1,324,000	\$1,059,200	\$0	\$0	\$264,800	\$0	\$0	\$0
Clarke Drive from West Locust St. to Asbury Road	\$3,260,000	\$2,608,000	\$0	\$0	\$652,000	\$0	\$0	\$0
Bell St. Extension	\$494,000	\$395,200	\$0	\$0	\$98,800	\$0	\$0	\$0
University Avenue from Delhi Street to Asbury Road	\$5,242,000	\$4,193,600	\$0	\$0	\$1,048,400	\$0	\$0	\$0
Middle Road	\$4,515,000	\$3,612,000	\$0	\$0	\$903,000	\$0	\$0	\$0
North Grandview Ave\ Extension to IA 32	\$3,017,000	\$0	\$0	\$0	\$3,017,000	\$0	\$0	\$0
Y-21 Sundown Rd	\$250,000	\$200,000	\$0	\$0	\$50,000	\$0	\$0	\$0
East Dubuque Transportation Study	\$125,000	\$0	\$100,000	\$0	\$25,000	\$0	\$0	\$0
Total	\$35,539,000	\$25,917,600	\$100,000	\$0	\$9,521,400	\$0	\$0	\$0

Table 9-6

Funding Source

DMATS Priorities for Federal Funds continued

Type of Projects	Total Cost	Iowa STP	Illinois STP	Iowa Enhance.	Local Funds	IADOT Funding	Earmark Funds	Additional Funding Required
Trail Projects - Federally Eligible								
On Road Trail System <i>Cost per mile \$120,975)</i>								
Cost of on road trails on Iowa side (107.95 Miles)	\$13,059,251	\$6,390,293	\$0	\$2,387,497	\$2,194,448	\$0	\$2,087,014*	\$0
Cost of on road trails on Illinois side (12.15 Miles)	\$1,469,846	\$0	\$741,773	\$0	\$185,443	\$0	\$542,630*	\$0
Cost of on road trails on Wisconsin side (11.31 Miles)	\$1,368,227	\$0	\$0	\$0	\$0	\$0	\$1,368,227*	\$0
Total	\$15,897,325	\$6,390,293	\$741,773	\$2,387,497	\$2,379,891	\$0	\$3,997,871	\$0

* Funds that need to be secured through Earmarks or from other sources

Note: The Dollar amounts between Table 9-5 and 9-6 won't be matching as the extra amounts will be used to fill inflation costs.

Funding Source

Table 9-6

DMATS Priorities for Federal Funds Continued

Illustrative	Total Cost	Iowa STP	Illinois STP	Iowa Enhance.	Local Funds	Other Funds	Additional
							Fundig Required
Projects - Federally Eligible							
IA 32 SW Arterial (Extra Two Lane)	\$60,000,000	Not Committed	\$0	Not Committed	Not Committed	Not Committed	\$60,000,000
IA 32 NW Arterial Extension	\$40,250,000	Not Committed	\$0	Not Committed	Not Committed	Not Committed	\$40,250,000
US 20 Julien Dubuque Bridge Capacity Improvement	\$162,000,000	Not Committed	\$0	Not Committed	Not Committed	Not Committed	\$162,000,000
U.S. 20 East from IA 32 NW Arterial Interchange to Devon Drive	\$50,000,000 to \$150,000,000	Not Committed	\$0	Not Committed	Not Committed	Not Committed	\$50,000,000 to \$150,000,000
Pennsylvania Ave	\$2,660,000	Not Committed	\$0	Not Committed	Not Committed	Not Committed	\$2,660,000
Total	\$364,910,000	\$0	\$0	\$0	\$0	\$0	\$364,910,000

Note: The Dollar amounts between Table 9-5 and 9-6 won't be matching as the extra amounts will be used to fill inflation costs.