CHAPTER 8:

FINANCIAL ANALYSIS

Financial analysis of the MTP is not only a federal requirement, it is also good planning practice to ensure that planned transportation projects can be paid for with expected funding sources. This chapter examines the projected revenues and expenditures for projects and programs over the next 20 plus years. This MTP, compared to previous plans, places greater emphasis on maintenance and preservation of existing infrastructure with large-scale highway capacity and transit service expansions limited to strategic locations that provide greater long-term transportation and economic benefits. Beginning with the *Futures 2040 MTP,* the long-range plan shifted funding to preservation of existing infrastructure, such as major bridge rehabilitations over the Rio Grande. This plan, the *Connections 2040 MTP*, continues this emphasis on infrastructure preservation and enhances focus on multimodal network connectivity and land use and transportation integration.

8.1 Financial Legislation and Requirements

a. Federal Legislation

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act[1] into law providing multi-year long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorized $305 billion over federal fiscal years 2016 through 2020. The FAST Act maintains a focus on safety, keeps intact the established structure of the various highway-related programs, continues efforts to streamline project delivery and, for the first time, provides a dedicated source of federal dollars for freight projects. The FAST Act upholds national goals and performance measures which will continue to transform the Federal-Aid Highway Program (FAHP) and more efficiently invest federal transportation funds by refocusing attention on national transportation goals, increased accountability and transparency, and improved project decision making through performance-based planning and programming.

Transportation Improvement Program (TIP) Funding

In order to fund all projects programmed in the current FFY 2020-2025 Transportation Improvement Program (TIP), Congress will have to enact an extension of FAST Act or enact a new transportation bill (continuing resolutions to reauthorize, or extend, FAST Act are expected).[2] However, if Congress does not enact a multi-year extension of FAST Act (or a new bill) by the beginning of FFY 2021 (October 1, 2020), MRMPO will need to review the projects programmed in FFY 2021 and compare those amounts to the federal transportation dollars made available in the continuing resolution funding bill in effect at that time. Based on that review, adjustments to the FFY 2020-2025 TIP may be necessary. Without the passage of a multi-year transportation bill, this would need to be done at the beginning of each federal fiscal year and again, federal regulations would require that the TIP reflect the changed revenue situation if funds are reduced. This is because the TIP must be fiscally constrained, meaning the cumulative funding of all projects programmed in each fund source cannot exceed the total revenue for that fund source. Although the risk of lowered revenue has its greatest impact on the TIP, the MTP is also subject to revision if federal funding is substantially reduced from estimated levels. Federal regulations would require the MTP to

[1] Fixing America's Surface Transportation (FAST) Act

[2] More explanation of the TIP is found in Chapter 9.

reflect the changed revenue situation before it could be amended through the formal amendment process.

Transportation Funding History

Historically, federal transportation spending has largely been financed by user fees—primarily taxes on gasoline and diesel fuel have financed the Highway Trust Fund since it was established in 1956. The past few years, however, marked a significant departure from this trend, with a greater share of the federal funding source being supported by general revenues. The FAST Act set program spending levels significantly above national dedicated revenues sources, continuing the funding gap between spending and revenues.

Lack of a long-term transportation funding strategy at both the federal and state levels does not allow the NMDOT or MRMPO to reliably estimate funding levels and program transportation projects. It is likely that the scarcity of federal and state funding in the immediate future, coupled with rising costs and increased needs, will require the region to explore alternative funding methods that could include municipalities and tribal governments applying for competitive federal grants (INFRA and BUILD grants, discussed later in this chapter) which are independent of sub-allocated federal funding revenues, additional taxes, bonding, public-private partnerships, implementation of toll facilities, or other innovative financing methods.

While these issues create uncertainty with regard to financial planning for this MTP, the financial assumptions outlined are reasonably expected to be available and provide a basis from which the metropolitan area can plan a transportation system that serves the needs of the region through 2040. If Congress or the state legislature enacts legislation that provides substantially more or less funding than is assumed in this plan, MRMPO will review the TIP and the scheduling of projects in this plan, and consider amendments, if necessary, or make those changes in the development of the next long-range plan update scheduled for adoption in 2025.

State and Local Funding Streams

State and local governments frequently experience stagnant or declining revenues from sources such as property taxes, impact fees, and gasoline taxes, which decreases the amount of state and local funding available for transportation projects. The gas tax's "purchasing" value has steadily diminished since it was last raised in 1993 at the federal level and in New Mexico.[3] Moreover, gas tax revenues are likely to be further eroded by future improvements in fuel efficiency (less fuel being purchased) and, even though vehicle miles traveled (VMT) has increased over the last few years, it is uncertain what the average VMT mileage will be, which could result in less fuel being purchased, thus less fuel tax collected.

Local Government Transportation Fund (LGTF)

On the other hand, in 2019 New Mexico had an increase in revenue from oil and gas severance revenue resulting in the establishment of the Local Government Transportation Fund (LGTF). This fund source is reasonably expected to be available in 2020 and perhaps to 2025, depending on oil and gas market prices, rate of extraction, and the political climate in the Roundhouse to maintain this revenue source for transportation.

[3] The federal tax on gasoline established in 1993 is 18.4¢ per gallon; the New Mexico tax on gasoline was also established in 1993 and is 18.875¢ per gallon (including the Petroleum Products Loading Fee). It is the eighth lowest in the nation. Neither is indexed for inflation.

Fiscal Constraint

Metropolitan transportation plans are required to be fiscally constrained, meaning that the plan must include sufficient financial information for demonstrating that projects in the MTP can be implemented using committed, available, or reasonably available revenue sources, with reasonable assurance that the federally-supported transportation system is being adequately operated and maintained. In other words, the total cost of all transportation projects and expenditures cannot exceed the cumulative amount of projected financial resources available.

In order to determine the amount of funding available to program for transportation projects, the amount of funding needed to maintain and operate the region's transportation system must be estimated and accounted for. Then the remaining funding can be programmed for future transportation projects. **The table below summarizes this analysis and shows the *2040 MTP* to be fiscally constrained with the total cost of all projects not exceeding the funding available.** Appendix D contains more detailed projections of maintenance and operations expenditures. It should be noted that costs for transit operations and vehicle replacement are eligible for certain categories of federal funding, thus reducing funding for capital projects. Therefore, some of the projects in this plan are for items such as vehicle replacement and transit service expansion and operations, not strictly capital projects.

Table 8-1: Summary of Fiscal Constraint

Anticipated Funds Available for Transportation 2016-2040	Amount
Federal Funds for Transportation Projects	$ 3,863,579,607
State Funds Available	+ $ 611,309,092
Local Funds Available	+ $ 5,677,361,395
Total Public Revenue Available	**$10,152,250,094**
Private Developer Funding for Transportation Projects	+ $ 1,297,162,212
Total of All Funds Available for Transportation	**$11,449,412,306**
Projected Cost of Maintenance & Operations for All Agencies	- $ 5,231,159,913
Remaining Funds Available for Transportation Capital Projects	**$ 6,218,252,393**
Cost of Publicly Funded Transportation Projects in this MTP	- $ 4,920,647,322
Cost of Privately Funded Transportation Project in this MTP	- $ 1,297,162,212
Difference (Funding Available minus Costs)	**$ 442,859**[1]

[1] This "surplus" of funds is a very small proportion of the available funds but indicates a fiscally constrained MTP.

Note 1: Estimates of federal funds use the FFY 2020 obligation rate for all fiscal years.

Note 2: One percent growth is assumed for all federal highway categories from FFY 2026 through 2040. Federal transit funds are increased based on historical trends from the region's two transit operators.

Note 3: Reduction of funds due to debt service is reflected in all Federal Highway categories through FFY 2027 with funds restored from FFY 2028 through FY 2040 and assumes no additional debt service is encumbered.

Note 4: Refer to Appendix D for more information.

b. Revenues, Expenditures, and Projections

As noted previously, for the MTP to be fiscally constrained, the total cost of all programmed transportation projects and programs cannot exceed the projected financial resources available. One of the difficulties all metropolitan planning organizations and state departments of transportation face is projecting how much funding will be available over a period of more than 20 years while considering the transportation funding challenges previously mentioned. In order to accomplish this, federal regulations require that MPOs, state departments of transportation, and public transportation operators cooperatively develop revenue and cost estimates "based on reasonable financial principles and information." These methodologies and assumptions are explained further in this chapter. Appendix D provides more detailed summaries of federal, state, and local revenue projections.

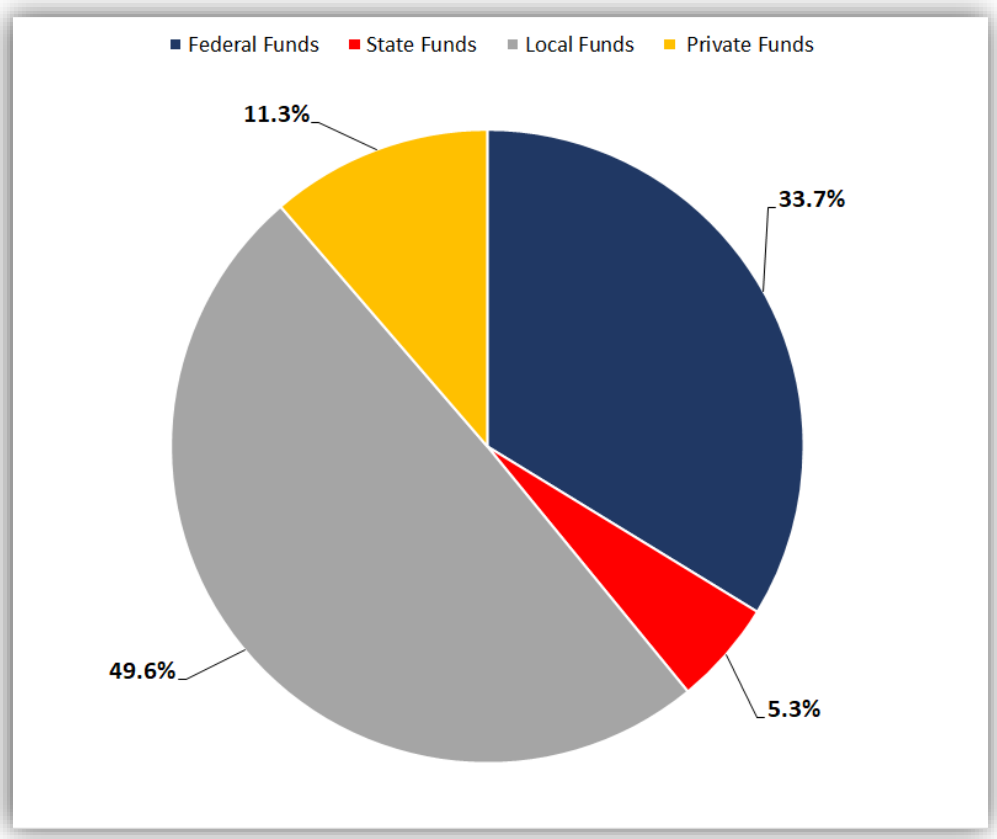
Table 8-2: Projected Funding Available from Public Sources

Transportation Revenue (Public Sources)	Total FFY 2016-2040
Federal Highway Program	$ 2,259,796,977
Federal Tribal Transportation Program (TTP)	$ 103,595,333
Federal Lands Program (non-TTP)	$ 58,779,546
Federal High Priority Projects	$ 78,664,815
Federal Special Programs (safety, railroad crossing, etc.)	$ 123,145,108
Federal Transit Administration	$ 1,239,597,828
Total Federal (includes required matching funds)	**$ 3,863,579,607**
State Funds	$ 611,309,092
Local Funds	$ 5,677,361,395
Total Public Revenues Available for Transportation Purposes	**$10,152,250,094**

Table 8-3: Projected Funding Available from Public and Private Sources

Transportation Revenue (Public and Private Sources)	Total FFY 2016-2040
Public Funds Available for Transportation Purposes	$10,152,250.094
Private Developer Funds for Transportation Purposes	$ 1,297,162,212
Total Funding Available for Transportation Purposes	**$11,449,412,306**

Figure 8-1: Projected Funding Available from Public and Private Sources, 2016-2040



NOTE: The base year for this plan is 2016 based on availability of complete socioeconomic data; therefore, financial summaries include projects funded and proposed for funding from FFY 2016-2040.

Federal Transit Administration Funds

Federal Transit Administration (FTA) funding is based largely on "formula funds" (i.e., funding distributed nationwide, based on formulas using various criteria) and competitive grants. In the Albuquerque area, transit funding reflects transit ridership and the operation of the New Mexico Rail Runner Express commuter trains which, under federal formula distribution criteria, results in significant federal transit funding allocated to New Mexico. FTA grants such as the funding for the Albuquerque Rapid Transit project are also reflected.

State of New Mexico Debt Service

The federal highway funds allocated to this metropolitan area have been reduced due to debt service to pay back bonds resulting from programs such as CHAT (Citizens' Highway Advisory Taskforce) and GRIP (Governor Richardson's Investment Partnership). Currently, up to 40 percent of New Mexico's statewide annual federal highway revenues through 2027 will be utilized for debt service, greatly reducing the amount of federal funds available for future projects. In 2010 the Federal Highway Administration and the NMDOT entered into an agreement outlining the payment of this debt service. All funding information for federal highway funding categories provided by NMDOT to MRMPO has routinely accounted for decreases as a result of the state's debt service and is reflected in the funding estimates through FFY 2027.

The reduction due to debt service has been "restored" to estimates in FFY 2028 through FFY 2040 meaning the debt will have been paid-off at that point so more funding will be available for projects after 2027 (assuming no additional debt service against future federal highway revenues is incurred).

Funding Categories and Estimates

- For all FHWA funding categories for FFY 2020 through FFY 2025, the Transportation Improvement Program (TIP) will use funding targets provided by NMDOT.
- For all FHWA funding categories programmed in FFY 2026 and beyond, a one percent annual increase will be applied through FFY 2040.
- Federal funding targets provided by NMDOT are routinely based on the amount available after application of the obligation rate, which is established by the federal government annually. For the purposes of projecting federal revenues for FFY 2021 through FFY 2040, an obligation rate of 93.8 percent is used.
- Funds required to match federal funds shall be calculated and included in the overall funding projections. Currently, under the FAST Act, most federal highway programs in New Mexico have a ratio of 85.44 percent federal with a 14.56 percent match, and most federal transit programs have a ratio of 80.0 percent federal with 20.0 percent match.
- Federal Transit Administration (FTA) funding estimates were also developed cooperatively with NMDOT, ABQ RIDE and Rio Metro. Each FTA funding category was analyzed separately for historical funding trends. Based on historical trends, it was agreed to increase FTA funding categories each year by the following percentages: FTA 5307 by two percent; FTA 5310 by one percent; FTA 5311, 5311(b)(3), 5337, and 5399 by 1.5 percent; and FTA 5311(c)(1) by 2.5 percent. FTA 5339 funding is apportioned to the state for distribution to each small urbanized area transit operator.
- Tribal Transportation Program (TTP) funding estimates were developed using 2020 TTP estimates listed on the Federal Lands Highway website and applying the same assumptions used for other federal highway categories. Funding was held steady at 2020 estimates through 2025, then a one percent annual increase was applied through 2040.
- Given the uncertainties of Congress enacting legislation to increase federal funding for transportation, this plan does not consider additional sources of federal revenue or increases in revenue other than the modest increases noted above.
- There are several types of federal funding that could provide additional funding in the future. These are grant programs for specific purposes or types of projects. These are discussed further at the end of this section. This plan assumes the award of only one grant in the period through 2040.

State Funding

The following assumptions were agreed upon for State fund sources:

For this plan NMDOT and MRMPO agreed to project state funding levels. For the *Connections 2040 MTP,* MRMPO has included some state funding such as State Capital Outlay and the new Local Government Transportation Fund (LGTF). As noted earlier, the LGTF fund source is reasonably expected to be available in 2020 and perhaps to 2025, depending on oil and gas market prices, rate of extraction, and the political climate in the Roundhouse to maintain this revenue source for transportation. MRMPO has not programmed this fund source beyond 2025.

State Revenue Projections

State funding was projected in two major categories: funds used for NMDOT District 3 maintenance and operations, and funds for capital transportation projects. Figures for District 3 maintenance and operations were provided by NMDOT, and it is assumed that all that funding is utilized for those purposes with a one percent annual increase applied through 2040. This is consistent with the methodology used for federal highway funds. It is recognized that state funding for transportation projects is dependent upon action of the New Mexico State Legislature. Significant amounts are authorized in some years with minor amounts in other years. Utilizing an annual average provides a reasonable projection of future state revenues for capital transportation projects. This does not include state funds required to match federal funds; those are automatically calculated and included in the totals for each federal funding category.

Future State Funding Sources

There have been several studies to investigate long-term strategies to increase funding for state transportation infrastructure needs. Options include increasing the state fuel tax, increasing fees for driver's licenses and vehicle registration, implementing new taxes based on vehicle miles traveled, and tolling roads. Thus far, none of these options seems likely to pass into law in the near future. Therefore, this plan does not consider additional sources of state revenue beyond those already in place.

Local Funding

Local agencies provided MRMPO with more detailed and reliable revenue estimates and estimated costs of maintenance and operations (M&O) and their associated M & O budgets.

Local Revenue Projections

Estimates of local revenue used for transportation were provided by the various jurisdictions. These estimates included revenue from general funds, general obligation bonds, development impact fees, municipal gas tax, gross receipts tax, fare box revenue, railroad trackage fees, and other minor sources of revenue. Jurisdictions provided more comprehensive estimates than previous plans. The amount in any given year and annual increases, if any, for each type of revenue varies with each jurisdiction.

Currently, the City of Albuquerque has a ¼-cent gross receipts tax (GRT) for transportation to support roads, transit, and pedestrian/bicycle facilities; for the financial planning purposes of this MTP, it is assumed this tax will continue.

The Rio Metro Regional Transit District collects a ⅛-cent GRT which is used for operation of the New Mexico Rail Runner Express commuter train service and for regional bus transportation services. For financial planning for this MTP, it is assumed this tax will continue.

Future Local Funding Sources

New Mexico allows for local option sales taxes to be initiated, via referendum, which could be used to finance transportation improvements. Local governments can also issue general obligation bonds subject to voter approval. Only the currently approved Valencia County bond is factored into this plan's revenue projections and no additional bonds by Bernalillo County or the City of Rio Rancho are factored into the projections for this plan. It is assumed by some agencies that future GRT and bond proposals will continue to be approved by voters based on historical results.

The Rio Metro Regional Transit District has an additional ⅜-cent GRT taxing capacity which is projected to commence in 2025. If this is not approved, many of the large-scale transit service expansion projects listed in this plan would be delayed indefinitely until funding is obtained. The Albuquerque Rapid Transit project on Central Ave is shown since the federal grant for implementation is within the time frame of this plan (base year 2016-2040).

Private Funding

Private developers also contribute to the construction of the metropolitan area's transportation infrastructure. When large-scale, master-planned communities are approved by local jurisdictions, the developer's agreement with the municipality often requires a commitment from the developer to construct portions of the infrastructure required. Total private development revenues for transportation capital infrastructure are presumed to equal the cumulative total of the estimated cost of all privately funded projects. Essentially, these revenues are "canceled out" by the costs of the privately funded projects. Generally, privately funded projects have no direct impact on fiscal constraint. However, **local agencies do incur a long-term maintenance cost for these developer-built facilities which may be offset either fully or partially with additional tax revenue generated from the new development.**

It must also be noted that the timing of implementation for these privately funded projects is primarily dependent upon the developers' schedules for implementation which, in turn, is highly dependent upon the region's economic climate. Some privately funded projects may be fully or partially funded through alternative financing methods such as TIDs, PIDs, and TIFs (refer to next section).

Table 8-4: Private Capital Revenue and Expenditures

Transportation Revenue (Private Sources)	Total FFY 2016-2040
Private Revenue for Transportation Purposes	$1,297,162,212
Private Project Expenditures	$1,297,162,212
Net Gain/Loss	**$ 0**

Supplemental Revenue Sources

There are several fund sources available to lead agencies, often on a competitive basis. These are not routinely expected to finance significant portions of the overall program but can provide financial resources for a particular project. Except for a grant already awarded, funds from these categories are not included in the financial plan for this MTP. Any significant future award of funds could be amended into this MTP.

- *New Starts/Small Starts* discretionary grant program has helped make possible dozens of new or extended transit fixed guideway systems across the country – heavy rail, light rail, commuter rail, bus rapid transit, and ferries. New Starts projects are typically greater than $250 million in total project cost, requesting greater than $75 million in New Starts funding. The Small Starts program supports fixed guideway projects smaller than the New Starts cost thresholds. Participation in the New Starts and Small Starts programs requires completion of a legislatively directed process for planning and project development. The Albuquerque Rapid Transit project (ART) was funded with Small Starts funding.
- The *Infrastructure for Rebuilding America (INFRA)* grants program provides dedicated, discretionary funding for projects that address critical issues facing our nation's highways and bridges. INFRA grants support fixing the nation's crumbling infrastructure by creating opportunities for all levels of government and the private sector to fund infrastructure, using

innovative approaches to improve the necessary processes for building significant projects, and increasing accountability for the projects that are built. In addition to providing direct federal funding, the INFRA discretionary grant program aims to increase the total investment by state, local, and private partners.

- The *Better Utilizing Investments to Leverage Development*, or *BUILD Transportation Discretionary Grant program*, provides an opportunity for the DOT to invest in road, rail, transit, and port projects that promise to achieve national objectives. Previously known as Transportation Investment Generating Economic Recovery, or TIGER Discretionary Grants, Congress has dedicated nearly $7.1 billion for ten rounds of National Infrastructure Investments to fund projects that have a significant local or regional impact. The eligibility requirements of BUILD allow project sponsors at the State and local levels to obtain funding for multi-modal, multi-jurisdictional projects that are more difficult to support through traditional DOT programs. BUILD can provide capital funding directly to any public entity, including municipalities, counties, port authorities, tribal governments, MPOs, or others in contrast to traditional Federal programs which provide funding to very specific groups of applicants (mostly State DOTs and transit agencies). This flexibility allows BUILD and traditional partners at the State and local levels to work directly with a host of entities that own, operate, and maintain much of our transportation infrastructure, but which otherwise cannot turn to the Federal government for support.
- The *Sustainable Communities* program was developed through a collaborative partnership between the U.S. Department of Housing and Urban Development, the Federal Highways Administration, and the Environmental Protection Agency. As of this writing, no grants have been awarded to agencies in the AMPA.
- *Tax-increment financing or "value capture"* is a mechanism which finances improvements via bonds sold by a special taxing district based on the cost of infrastructure being paid for by properties that are deemed to benefit from the infrastructure. By benefiting properties via transportation improvements, the idea behind tax-increment financing is that the improvement bonds are repaid with dedicated revenues from the incremental increase in property taxes as a result of such improvements (and increase in property value due to the improvements). New Mexico does allow for tax increment financing.
- There are several federal loan and credit programs available. The *Transportation Infrastructure Finance and Innovation Act (TIFIA)* program provides federal credit assistance financing for surface transportation projects in the form of direct loans, loan guarantees, and standby lines of credit. Projects must be of national and regional significance (in other words, included on the long-range transportation system maps). TIFIA financing is generally offered at more favorable interest rates than can be found in private capital markets, and highway, transit, railroad, intermodal freight, and port access projects are eligible for assistance. Each dollar of federal funds can provide up to $10 in TIFIA credit transportation infrastructure investment.
- For improvements on the freight rail system (which may in turn benefit the state's and region's passenger rail system), the *Railroad Rehabilitation & Improvement Financing (RRIF)* program provides direct federal loans and loan guarantees to finance development of railroad infrastructure. Under this program the Federal Railroad Administrator is authorized to provide direct loans and loan guarantees up to $35 billion, up to $7 billion of which is reserved for projects benefiting freight railroads other than Class I carriers (regional and short-line railroads would be eligible). Funding can be applied to track and equipment, intermodal facilities, bridges, buildings

and shops, and rail yards. Several other innovative federal financing programs are available but may require state authorization and approval.

- *Consolidated Rail Infrastructure and Safety Improvement (CRISI)* program funds projects that improve the safety, efficiency, and reliability of passenger and freight rail. Projects eligible for funding under this grant program include: deployment of railroad safety technology (PTC/rail integrity inspection systems), capital projects, highway-rail grade crossing improvement projects, rail line relocation and improvement projects, regional rail and corridor service development plans and environmental analyses, any project necessary to enhance multimodal connections or facilitate service integration between rail service and other modes, and the development and implementation of a safety program or institute. The New Mexico Rail Runner Express received a CRISI grant in the amount of $31,856,050 to implement Positive Train Control (PTC) which is system for monitoring and controlling train movements and is a type of train protection system. This will improve safety for the New Mexico Rail Runner Express, BNSF freight trains and Amtrak.

Maintenance, Operations, and Infrastructure Preservation Funding

In addition to projecting revenues for capital construction, funding available for the maintenance and operations of the entire transportation system is also estimated. Preservation and maintenance of existing infrastructure is critical, and a significant portion of transportation funding is utilized for infrastructure preservation such as roadway rehabilitation, bridge repairs, transit vehicle replacement, etc. Maintenance and operations (M&O) include routine highway maintenance, railroad track maintenance, bus and train vehicle repairs and fuel, equipment maintenance and repair, snow plowing and salting/sanding operations, bike trail maintenance, and transit services operations.

The Transportation Improvement Program funds many capital infrastructure preservation projects on major roads, bridges, and transit systems, transit vehicle purchases and replacements, and some funding for transit operations. Generally, routine M&O is not programmed in the TIP except certain fund sources (such as FTA 5307) can be used for transit operations. However, M&O expenditures must be accounted for in the total amount of funding available for transportation purposes in the MTP. Funds used for maintenance and operations are included in the funding projections of available resources. The projections of both revenues available for M&O and the estimates of M&O expenditures are explained in the following section.

Maintenance and Operations Expenditures

Maintenance and operations expenditures have been projected for the time period of the MTP with the various jurisdictions providing their projected expenditures. The MTP focuses on federal-aid eligible highways and transit systems. However, maintenance and operations budgets do not distinguish between funds spent on major roadways or local streets. Therefore, the methodology used for this MTP is to consider all agencies' entire M&O budgets and entire M&O expenditures to determine how much funding remains available for capital transportation purposes, the vast majority of which is spent on major streets that are roadways generally eligible for federal-aid. Appendix D provides more detailed summaries of projected maintenance and operations expenditures.

Projections of New Mexico's state revenue for transportation purposes include $611.3 million allocated to the metro area through 2040. This includes $330.4 million for NMDOT District 3 maintenance and operations. Please refer to NMDOT's statewide long-range plan (*The New Mexico 2040 Plan*) for further analysis of New Mexico highway funding.

Table 8-5: Projected State and Local Maintenance & Operations Expenditures

Jurisdiction	Total FFY 2016-2040
Local Jurisdictions	$4,900,714,479
NMDOT District 3	$ 330,445,434
Total Projected M&O Expenditures	**$5,231,159,913**

Capital Project Expenditures

Capital expenditures are listed by project in Appendix A. Public capital expenditures include all projects funded with federal dollars and all regionally significant projects funded with state, local, or private funds. The amount of funding available for capital transportation projects was determined by analyzing all revenues available and funds needed for M&O expenditures (see table above).

Table 8-6: Funds Available for Capital Transportation Projects

Anticipated Funds Available for Transportation 2016-2040	Amount
Federal Funds for Transportation Projects	$ 3,863,579,607
State Funds Available	+ $ 611,309,092
Local Funds Available	+ $ 5,677,361,395
Total Public Revenue Available	$10,152,250,094
Private Developer Funding for Transportation Projects	+ $ 1,297,162,212
Total of All Funds Available for Transportation	$11,449,412,306
Projected Cost of Maintenance & Operations for All Agencies	- $ 5,231,159,913
Remaining Funds Available for Public & Private Capital Transp. Projects	**$ 6,218,252,393**

Note 1: Estimates of federal funds use the FFY 2020 obligation rate for all fiscal years.

Note 2: One percent growth is assumed for all federal highway categories from FFY 2026 through 2040.

Note 3: Reduction of funds due to debt service is reflected in all Federal Highway categories through FFY 2027 with funds restored from FFY 2028 through FY 2040 and assumes no additional debt service is encumbered. Refer to Appendices L and M for more information.

Capital Project Expenditures by Project Type

This MTP continues its emphasis on utilizing public funding for preserving the existing infrastructure and funding reflects a continuation in transportation investment priorities across the AMPA, particularly from capacity expansion to infrastructure preservation. Transit funding shown in the figure below includes the FTA grant for the ART project and funding for transit infrastructure and operations, for both ABQ RIDE and Rio Metro Regional Transit District. The Miscellaneous category has increased due to the grant for New Mexico Rail Runner Express Positive Train Control for improved transit safety.

Figure 8-2: 2040 MTP Publicly Funded Projects by Type

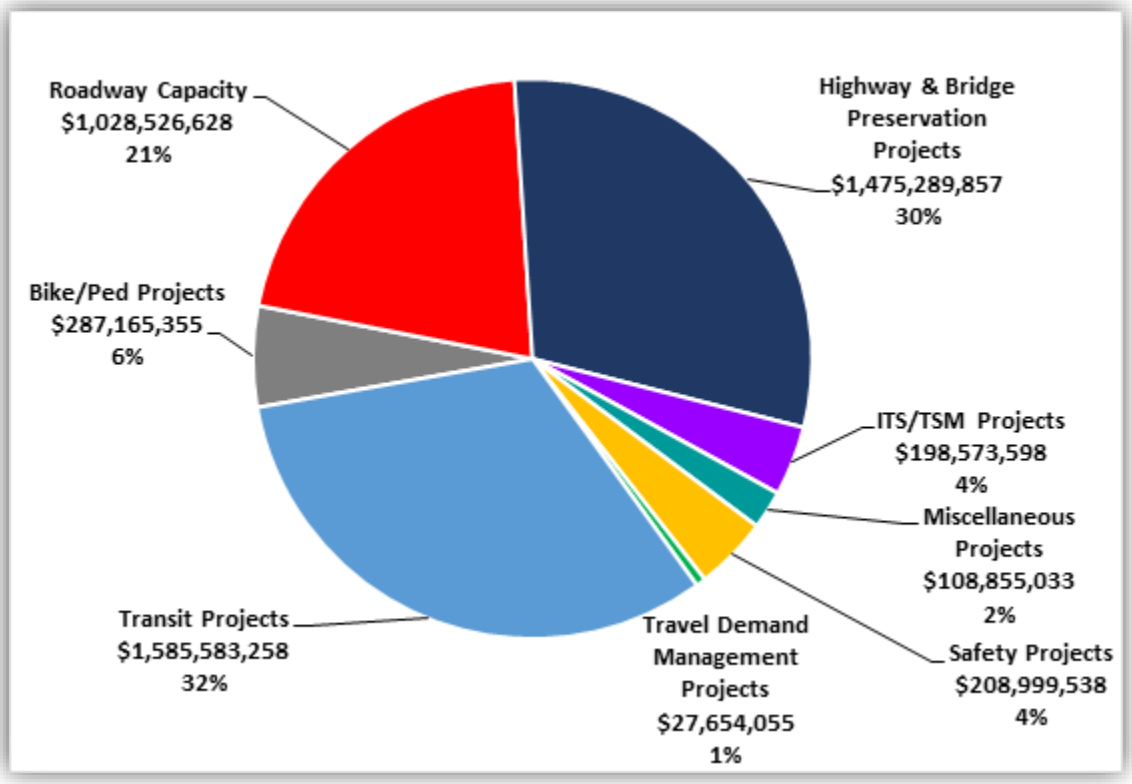
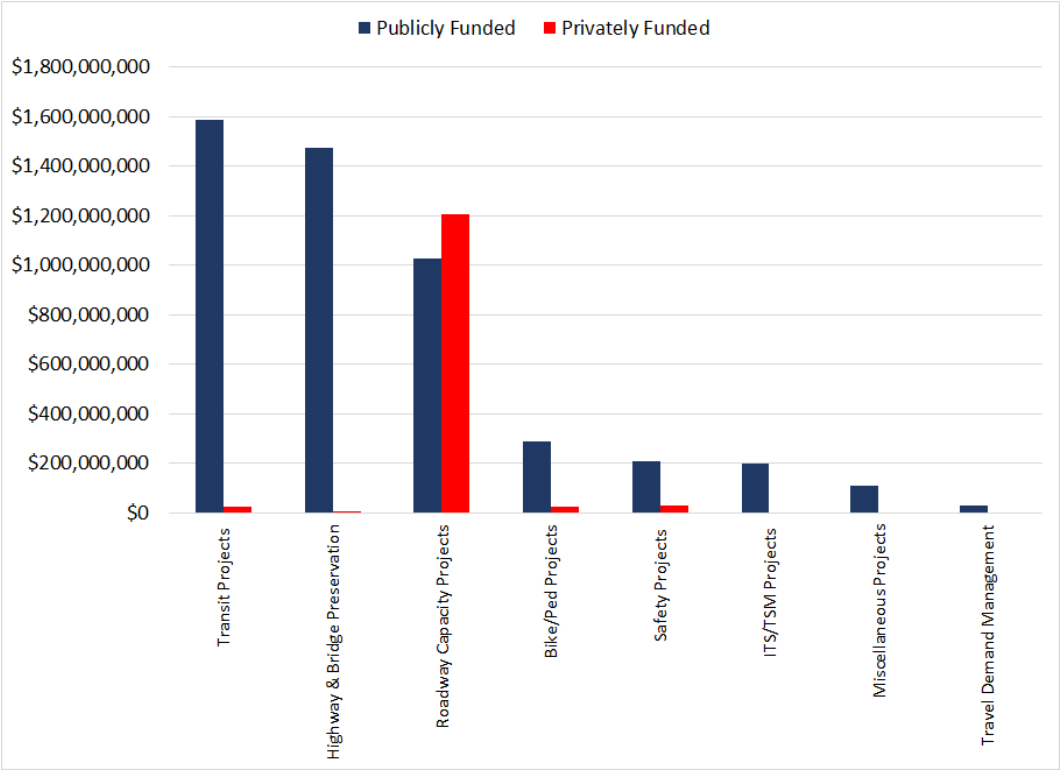


Figure 8-3: 2040 MTP Comparison of Publicly & Privately Funded Projects by Type



This data shows a significant investment by private developers in new roadway construction which increases roadway capacity. These are primarily in developments such as Mesa del Sol, Santolina, Upper Petroglyphs, Quail Ranch, Volcano Heights, Ranch Cielo, etc. The safety project that is privately funded in this MTP is funding from Burlington Northern and Santa Fe Railroad (BNSF) for the construction of the NM 109 Jarales Road Overpass in Belen. The private transit funding is for future Mesa del Sol transit infrastructure.

Table 8-7: Project Expenditures by Type of Project, Comparison of *Futures 2040 MTP* and *Connections 2040 MTP Update*

Project Type	Amount Connections 2040 MTP	Amount Futures 2040 MTP	Difference Connections vs Futures *MTP*	Numerical Difference
Bike/Ped Projects (Public)	$287,165,355	$263,944,607	8.80%	$23,220,748
Bike/Ped Projects (Private)	$25,793,000	$21,193,000	21.71%	$4,600,000
Roadway Capacity (Public)	$1,028,526,628	$1,036,980,106	-0.82%	-$8,453,478
Roadway Capacity (Private)	$1,207,744,212	$1,155,881,922	4.49%	$51,862,290
Highway & Bridge Preservation (Public)	$1,475,289,857	$1,633,985,094	-9.71%	$158,695,237
Highway & Bridge Preservation (Private)	$8,000,000	Included under "Roadway Capacity (Private)"	n/a	$8,000,000
ITS/TSM Projects	$198,573,598	$154,255,556	28.73%	$44,318,042
Miscellaneous	$108,855,033	$75,131,684	44.89%	$33,723,349
Safety Projects (Public)	$208,999,538	$80,858,290	158.48%	$128,141,248
Safety Projects (Private)	$30,000,000	$0	n/a	$30,000,000
Travel Demand Management	$27,654,055	$37,164,786	-25.59%	-$9,510,731
Transit Projects (Public)	$1,585,583,258	$1,834,671,248	-13.58%	-$249,087,990
Transit Projects (Private)	$25,625,000	Inadvertently left out of chart.	n/a	$25,625,000
Total	**$5,906,459,382**	**$6,294,066,293**	**-1.21%**	**-$76,256,759**

Note: See following section for definitions of project type. Refer to Appendix A for listing of projects.

Note: *Futures 2040 MTP* spanned the years 2012-2040 and *Connections 2040 MTP* spans 2016-2040. Although costs of projects increased, this MTP covers fewer years of projects. The next MTP will extend to 2045.

c. MTP Projects Summary

All proposed MTP projects are listed in Appendix A. Listed at the end of this section are some significant and noteworthy projects. In the past, MTPs have included very long-range projects in the previous *Future Albuquerque Area Bikeways and Streets (FAABS)* document and the current *Long Range Transportation Systems (LRTS) Guide* document. Given the fiscal constraints of funding availability and the timing of development and need for these projects, some of these very long-range projects will not be built within the timeframe of the *Connections 2040 MTP* and are therefore not included in this plan. They will, however, remain in the *LRTS Guide*. Appendix C contains a summary listing of these special projects and their status in the *Connections 2040 MTP*. Some projects are also listed in the "illustrative listing" of MTP projects, found in Appendix B, which denotes projects that do not currently have funding available for implementation, but which could be amended into this MTP if funding becomes available through grants, state funds, bond funds, etc.

Federal Aid System

The Metropolitan Planning Organization's purpose is to focus primarily on transportation projects of regional significance.

- For **roadways** this refers to those on the federal aid system. The federal-aid system is determined by highway functional classification which classifies highways and streets based on the function the roadway serves in the overall roadway network. The highway functional classification for the AMPA was revised as a result of the 2010 U.S. Census, receiving final federal approval in February 2014. Roadways eligible for federal-aid are those classified as minor collectors and above in the Albuquerque Large Urbanized Area and the Los Lunas Small Urbanized Area and major collectors and above in rural areas with some exceptions such as special federal funding for off-system bridges, safety improvements, and other special categories of projects.
- For **transit** projects this refers to those transit services that receive federal funding and/or provide inter-regional connectivity (i.e., the NM Rail Runner Express), intra-regional connectivity (ABQ RIDE and Rio Metro services), and services for special needs populations.
- Regionally significant **bicycle and pedestrian projects** are those receiving federal funds and/or those providing regional connectivity (i.e., the North Diversion Channel Trail) and those facilities which are part of the regional bikeway network.

Project Type Categories

Projects in the long-range plan are categorized by one of eight project types: Bike/Pedestrian, Capacity Projects, Highway & Bridge Preservation, ITS-TSM, Safety, Travel Demand Management (TDM), Transit, and Miscellaneous. How a project is categorized is based on the primary reason for the project even though a project may include elements of several categories. For example, a highway reconstruction project's primary purpose may be to rebuild a poor roadway without any additional lanes, but the project could include a new bike trail, replacement of sidewalks, and upgraded traffic signals; however, the project would be categorized as a Highway & Bridge Preservation project. These categories are defined as follows:

- *Bike/Pedestrian Projects* include bicycle trails, bike lanes, and sidewalks, but they can also include projects such as modifying curbs to comply with the Americans with Disabilities Act (ADA), bike lockers, and bicycle safety education programs for children.

- *Capacity Projects* are investments that increase the through-traffic capacity of a roadway or street by adding a significant length of a through-lane. This includes road widening projects, new roadways, bridge widening, and new bridges. It generally does not include projects adding turn-lanes at intersections or the reconstruction/reconfiguration of an interchange unless a new through-lane(s) to the main line is added.
- *Highway and Bridge Preservation Projects* do not add additional through-lanes but improve the condition of the roadway through resurfacing, rehabilitation, reconstruction, restoration, bridge rehabilitation, bridge replacement, bridge deck replacement, bridge repairs, and other similar projects.
- *Intelligent Transportation Systems-Transportation Systems Management Projects* improve the flow of traffic, convey traveler information to the users and/or affect the overall transportation network. Example projects include installing electronic message signs, constructing a traffic management center, upgrading traffic signal equipment, interconnection of traffic signals and its associated communication network, motorist courtesy patrols (H.E.L.P. trucks) which expedite removal of vehicle breakdowns, traffic data collection, and other similar projects.
- *Safety Projects* are focused on rectifying deficiencies that result in unsafe conditions. These include intersection improvements, railroad crossing improvements, median barriers, guardrails, road realignments (such as removing a dangerous curve), adding passing lanes to improve safety (not to increase through-traffic capacity), pedestrian signal upgrades, safe routes to schools improvements, street lighting to improve safety, upgrade of signage and pavement markings, etc. Funding of safety projects generally requires data indicating the existence of unsafe conditions.
- *TDM (Travel Demand Management) Projects* help manage the level of travel on the transportation network by encouraging alternate modes of transportation and/or shifting travel demand away from peak hours.
- *Transit Projects* include all public transportation services such as ABQ RIDE and Rio Metro Regional Transit District services, the New Mexico Rail Runner Express, and transit services for special needs populations. This includes vehicle purchases/replacements, bus stop facilities and shelters, train stations, park and ride lots, railroad track improvements, signalization, bus rapid transit (BRT) construction and implementation, fare collection systems, transit planning, tribal transit programs, and eligible operational costs. Some funding for transit projects is allocated by a formula, thus increases in ridership and some service expansion can result in additional federal funding.
- *Miscellaneous Projects* constitute planning studies, beautification projects, street lighting projects (not safety related), long-term right-of-way acquisition, and some types of multi-modal improvements that do not fit into the other categories

Project Cost Estimating, Timing, and Analysis

Capital project costs are estimated by using one of two methods.

- Some projected costs were provided by the various lead agencies or from corridor studies and transit studies, preliminary design documents, engineers' estimates, environmental documents, or initial project scoping reports. This applies primarily to projects in the MTP and included in the TIP through 2025.

- Other projects had their initial estimated costs based on "unit costs" for various project elements; these unit costs were derived cooperatively among the major agencies and have been used to estimate capital project costs for those projects that have no other documented cost estimates. Primarily, this method applies to long-term projects. Each long-term project estimate from the MTP was reviewed and updated by the sponsoring agency to account for changes in major cost elements (i.e., steel price increases). An annual growth rate of two percent has been applied to project costs beyond the TIP based on agencies' or developers' estimated time frame for project implementation.
- Private funds used for construction of transportation infrastructure have been projected to equal the cost estimates of each privately funded project. Private development costs are provided by developers in proposed project master plans and other documents. The cumulative costs of all privately developed transportation capital infrastructure are considered "private capital revenue." As noted, these revenues are cancelled out by the costs of the privately funded projects. Generally, privately funded projects have no direct impact on fiscal constraint.

Project Timeframes

Timeframes are used for project implementation and travel demand modeling analysis. A project falls into a timeframe based on when the project is expected to be substantially implemented. For example, a roadway project falls into the "near" timeframe if the project is expected to be substantially completed and open to traffic in the year 2030 or earlier. As a result, all projects fall into one of two time periods which is used for modeling congestion and other analyses.

The timeframes for project implementation are divided into two periods: "Near Term" = 2016-2030 and "Late Term" = 2031-2040. To be clear, all projects in Appendix A noted as "Funded" are in the "near-term." The *Long Range Transportation Systems (LRTS) Guide* in Appendix C includes, for future reference, some infrastructure projects that are anticipated for development past the 2040 horizon year of this MTP, which are not part of the fiscally constrained list of MTP projects. The "Illustrative List of Projects" in Appendix B is a listing of projects which are not included in the fiscally constrained MTP project list but which could be amended into this MTP if funding becomes available through grants, future state or local funds, bonds, etc. Below is a listing by travel mode of some of the major projects that are planned for within the lifetime of the *Connections 2040 MTP*:

Major Roadway Projects

- Unser Blvd Corridor Improvements: complete Unser Blvd as a four lane north-south arterial
- I-25 Northbound Widening between Rio Bravo Blvd and Sunport Blvd
- I-25 & Cesar Chavez Blvd Interchange Reconstruction: rebuild and possibly reconfigure the interchange
- I-25 and Gibson Blvd Interchange: reconstruct and reconfigure the interchange
- I-25 & Montgomery Blvd Interchange Reconstruction: reconstruct and reconfigure the interchange
- US 550 Reconstruction and Rio Grande Bridge Replacement: project is under construction
- Sunport Blvd Extension: project is currently under design and will extend Sunport Blvd to Broadway Blvd and has generated a companion project to improve Woodward St between 2nd St and Broadway Blvd

- Northern Blvd Expansion: design and right-of-way acquisition to widen the roadway
- Southern Blvd Reconstruction: design and construction are funded
- Westside Blvd Widening: complete the four lane expansion between Unser Blvd and NM 528
- Rio Bravo Boulevard: eastbound bridge replacement
- Los Lunas River Crossing: construct a new interchange at I-25 on the south side of Los Lunas along the "Morris B Alignment" and build a new road and bridge over the Rio Grande. Design and purchase of right-of-way is underway with construction to follow.
- NM 6 Bridge Replacement over the Rio Grande
- NM 337 Bridge Replacement in Chilili
- Bridge Blvd Reconstruction: address vehicular traffic, pedestrian, and transit conditions between Old Coors Blvd and the Rio Grande. This project is currently underway.
- Paseo del Volcan & I-40 Interchange Rights-of-Way Acquisition: secure the land needed for the future construction of the interchange

Major Transit Projects

Several projects focus on increasing transit mode share to 20 percent by 2040 on corridors included in the priority investment transit network (see Chapter4). Other transit projects will maintain and expand existing service levels.

- Albuquerque Rapid Transit (ART): implement bus rapid transit along Central Ave. The project began operations in 2019. Some features of this service are similar to features along light-rail lines: raised platforms for quick boarding, off-board fare collection, signal priority at traffic signals, doors on both sides of the buses, frequent service, and dedicated transit lanes in certain sections for fast and efficient operation.
- University Corridor Rapid Bus Service (UNM/CNM/Sunport High Capacity Transit): planning will begin for improved transit service in the University of New Mexico/Central New Mexico Community College/Sunport area. This service will complement the nearby ART service on Central Ave described above.
- Commuter Rail: Certain projects will provide improvements and refinements to NM Rail Runner Express service such as increased service and headways, along with infrastructure improvements such as new sidings, double-tracking sections as necessary and major rehabilitation of locomotives and railcars in the later years.
- Positive Train Control (PTC): this federally mandated safety system has been funded primarily by a grant from the Federal Railroad Administration (FRA) and will bring the NM Rail Runner Express into compliance before the installation deadline.
- Park and Ride Development: park and ride facilities will be developed as the metropolitan area expands in order to meet growing demand
- Valencia County Transit Facility: this will construct a new administration and bus maintenance facility in Valencia County for Rio Metro services

Major Bicycle/Pedestrian Projects

- Paseo del Norte Corridor Trail: provide a continuous bike/pedestrian trail along Paseo del Norte and will be constructed in phases
- North Diversion Channel Trail Rehabilitation
- Santo Domingo Multi-Use Trail Phase II: provide a safe connection from the softball fields to the Santo Domingo Trading Post.
- University Blvd Multi-Modal Improvements: construct missing bike lanes
- 2nd Street – Valle de Oro Trail: construct a multi-use trail in the South Valley with a connection to the new Valle de Oro National Wildlife Refuge and other existing trails
- Tijeras Area Projects: construct pedestrian, bicycle and drainage improvements in the village
- Trail Resurfacing and Reconstruction: resurface and/or reconstruct several existing trails in need of improvement
- Albuquerque Bike Share Program: Expand the current bike share program by providing short-term bike rentals in key areas for trip completion. This extends transit and pedestrian trips by providing convenient bicycles.
- Alameda Drain Trail: connect the North Valley to the existing bikeway network
- Central Ave Railroad Crossing Connectivity Improvements: improve pedestrian connectivity between Downtown and East Downtown as part of the "Innovation Corridor"

Major ITS Projects

- ITS Regional Transportation Management Center (RTMC): complete the most significant ITS project planned for the metro area. This project will establish a regional center to enable traffic engineers to maximize highway capacity, manage and divert traffic, change signal timing and signal coordination, and manage incidents as needed based on actual traffic conditions.
- Regional Incident Management Plan: a multi-agency incident management project managed by the MRMPO and involving key transportation infrastructure owners and operators is under development. The Plan will establish an event driven response protocol. It will also include the identification of critical gaps in both infrastructure and coordination, with different scenarios for recurring and non-recurring events having “significant impact.”

Major Safety Projects

- NM 109 Jarales Road Overpass over the BNSF Rail Transcontinental Line in Belen
- I-25 and Martin Luther King Jr. Blvd Ramp Improvements
- NM 314, NM 45, and NM 317 Intersection Improvements and realignment in the Pueblo of Isleta
- Rail Corridor Pedestrian Safety Improvements in Town of Bernalillo
- Albuquerque Public Schools Vision Zero for Youth Initiative to create and implement a bicycle and pedestrian safety curriculum for grades K-8.