

October 9, 2020

MEMO TO: TCC/TAC Members

FROM: Phil Conrad, MPO Executive Director

SUBJECT: STIP Re-Programming and 2050 MTP Financial Plan

The purpose of this memo is to provide additional information on the recent STIP Re-Programming and its impact on project schedules and financial forecasts for the 2050 MTP Update and Projects List. Due to the impact of COVID-19 and reduced gas tax revenue to the state, NCDOT went thru a re-programming exercise in the summer/fall of 2020. In addition, the NCDOT released the 10 year estimates for each of the tiers which is broken out by Division and Region. The Cabarrus-Rowan MPO is included in Division 9 and 10 and Regions D and E. According to these estimates, Division 9 and 10 will each receive about \$441 million over the 10 year period for division tier projects. Because the regional tier is indexed for population, Region D will receive about \$1 billion over the 10 year period and Regional E will receive about \$1.2 billion over the 10 year period for regional tier projects. The 2 regions total 10 counties.

NCDOT made several schedule adjustments to projects in the 2045 MTP, which will redefine the core of the 2050 MTP, particularly some project schedules thru the year 2035. It's safe to assume that the impacts of the year 2020 will be felt for quite some time. In addition, the NCDOT has recently completed a statewide 2050 Moves Plan. This Plan included revenue assumptions based on a number of scenarios generated without the benefit of knowing the fiscal impacts of the year 2020. However, it may be prudent to retain these forecasts over the duration of the 2050 MTP for a number of reasons. At some point, the impacts of 2020 will reverse course unless there are a series of global pandemics or changes in driving culture. Second, the life of the 2050 MTP is only 4 years, so additional information will be forthcoming by the time the next update is due in 2026. Third, the statewide 2050 Plan includes a trend scenario that conservatively forecasts the future based on past results, which is an acceptable practice. Without a crystal ball, it is difficult to predict variables such as pandemics, natural disasters, fuel efficiency, driverless cars, etc. and their impact on such a small geography as the MPO much less a nation's transportation system. These factors will be evaluated and debated for many iterations before the end of calendar 2050, with multiple chances for adjustment by the state and MPO. Incidentally, the MPO will assume that Strategic Transportation Investments (STI) will remain intact for the life of the 2050 MTP. The system has proven to be predictable and valuable to the transportation planning and project development profession.

Using the 2050 Moves Plan, revenue can be forecasted for the years 2035 thru 2050 for all 3 tiers. The Division Tier estimate is about \$1 billion over the 15 year period, and about \$2.4 billion for Region D and \$3 billion for Region E over this timeframe. These statewide forecasted figures would translate into about \$316 million in Division Tier revenue for the MPO area and about \$487 million in Regional Tier revenue for the MPO

area. While applying this revenue to the final two horizon years (2045 and 2050). The following noteworthy projects should be completed by 2045: the **widening of NC 73**, the **widening of NC 3**, and the **widening of Poplar Tent Road** in Cabarrus County, as well as the **widening of NC 150**, the **bypass of the Town of Granite Quarry**, and the **bypass of the Town of Rockwell** in Rowan County. All of these projects have been part of the MPO planning process and previous MTP's for several years. Due to limited revenue in the last 5 years of the MTP, a couple of projects were included to be open for traffic by 2050: the **NC 152 bypass** and the **George Liles Parkway extension**. It does not mean that these projects could not be open sooner due to many, many factors over the next 30 years. In addition, many non-highway projects will be planned and completed over this horizon. The MPO receives TAP and STBGP funds that can be directly applied to these needs. (CMAQ funds were historically suballocated to the non-attainment MPOs, but the future distributions remain unclear at this point.) The NCDOT currently has a minimum floor for highway expenditures in the 90 percent range, with the remainder pledged for non-highway projects. Non-highway projects also compete for state match funds thru STI such as transit and aviation projects. Additional discussion of non-highway projects and revenue assumptions will be covered under a separate memo.