

Chapter 9

Financial Resources and Constraints

A. Fiscal Constraint

All long-range transportation plans must be fiscally constrained and show that there is sufficient anticipated revenues to fund the proposed transportation improvements in the Plan. Sources for the funding of street and highway improvements, as well as facilities for other modes of transportation, will most likely come from local governments, the state departments of transportation, and the United States Department of Transportation. Seldom does private enterprise get involved in funding roads, although the possibility exists for participation. All of these levels of government have annual budgets that must be considered in providing capital improvement dollars for transportation purposes. Most have three to five year (or more) capital improvement programs that include projects, but not necessarily dedicated dollars. In essence, area long-term capital improvement programs should generally match total estimated 25 year funding that should or could be made available (for the 2030 Plan). Additionally, planned project dollars should match not only the total funding for the next 25 years, but more specifically, be available on a schedule that promotes a steady flow of projects without interruptions.

This chapter will focus on costs and anticipated revenue for the transportation improvements (roads, transit and enhancement projects) recommended in this Plan and will show that the Kingsport Area MPO 2030 Plan is fiscally constrained, per the requirements and definitions provided in federal transportation regulations.

Funding Programs

Project funding for the next 25 years is based on conservative estimates. Future amendments to the 2030 Plan may include adjustments to future funding expectations; particularly as new federal and/or state funding appropriations are established. Local funding may also play a part in financing major road improvements if city and county governments determine that critical improvement needs cannot be funded by other sources.

For the Kingsport MPO planning area, the Tennessee Department of Transportation provides two primary sources of funding for street and highway improvements: (1) direct state dollars generated from the state budget process and dedicated funding sources, i.e., gas tax legislation, and (2) Federal Highway Administration funds, which are currently provided through current legislation, and which generally require a 20% state or local match. Virginia DOT provides similar funding, direct state dollars through state dedicated budget sources, as well as federal dollars for specific projects. Federal funds are provided through the Surface Transportation Program (STP), the National Highway System (NHS) funds, Bridge Replacement (BR), and Interstate Maintenance

(IM). NHS, BR and IM funds are limited to improvements for roads and bridges. STP funds are more flexible and can be used not only for roads and bridges, but also for non-highway projects such as transit and bike/pedestrian.

There are several specific funding sources available for transit improvements through the Federal Transit Administration. These include: FTA-Section 5309 for capital projects; FTA-Section 5307 for operating, planning, and capital for urban systems such as KATS; and FTA-Section 5311 for rural systems such as NETRANS. These federal programs are generally matched with state and/or local dollars. Additionally, TDOT and VDOT provide state dollars (not matched) for subsidizing public transit systems.

For bicycle and pedestrian facilities, most of the available federal and state funds are used to develop walking and biking trails that typically run through parks, along riverfronts and creek floodplains, and are several miles in length. Greenway systems have been developed throughout Tennessee and Virginia in both urban and rural settings. These projects are funded primarily through two main sources, the Federal Highway Administration Enhancement Grant program and the State Recreational Trail and Parks Grant program.

Local funds for major highway projects, through city and county budgets, have generally been unavailable, except as a match to federal funds. Sizable capital roadway projects are typically developed through state and federal assistance, with a match provided through the local budget process. However, local dollars can be programmed for projects, as determined necessary by local government. One means of financing local transportation improvements is to issue a bond. Bonds are a debt security that enables the issuer (in this case a local government) to finance long-term investments with external funds. In the event that a local government does not wish to use debt financing for transportation improvements, other local revenues will be necessary, such as property tax revenue, sales tax revenue, or other local revenue sources. Table 39 provides a summary of the major federal funding sources.

Federal Programs	Description	Funding Ratio
Bridge Replacement and Rehabilitation State & Local (BRR or BR)	State – Provides funding for on-system bridge replacement, or to rehabilitate aging or substandard bridges based on bridge sufficiency ratings. Local - Provides funding for off-system bridge replacement, or to rehabilitate aging or substandard bridges based on bridge sufficiency ratings.	80% Federal, 20%Non-Federal
Transportation Enhancement Set Aside of the STP (TE)	Provides funding for 12 exclusive activities such as pedestrian facilities, rehabilitation and restoration of historic transportation related structures, and environmental mitigation to address water pollution due to highway runoff.	80% Federal, 20%Non-Federal
High Priority Projects Set Aside of SAFETEA-LU (HPP)	Provides designated funding for specific projects identified by Congress.	80% Federal, 20%Non-

Table 39: Summary of Federal Funding Sources

Federal Programs	Description	Funding Ratio
		Federal
Interstate Maintenance (IM)	Provides funding to rehabilitate, restore, and resurface the Interstate System. Reconstruction is also eligible if it does not add new capacity, with the exception of High-Occupancy-Vehicle (HOV) lanes or auxiliary lanes in non-attainment areas, which can be added.	90% Federal, 10%Non-Federal
National Highway System (NHS)	Provides funding for major roads including the Interstate System, a large percentage of urban and rural principal arterials, the Strategic Defense Highway Network (STRAHNET), and strategic highway connectors.	80% Federal, 20%Non-Federal
Recreational Trails (RCTR)	Provides funding for the creation, rehabilitation and maintenance of multi-use recreational trails.	80% Federal, 20%Non-Federal
Surface Transportation Program (STP or S-STP)	Provides funding for roads functionally classified as rural major collector and above. Funds may be utilized on projects in Rural Areas, Urbanized Areas, Small Urban Areas, Enhancement, Safety and Rail-Highway Crossings.	80% Federal, 20%Non-Federal
Local-Surface Transportation Program (L-STP)	Provides funding to areas of 5,000 to 50,000 in population for improvements on routes functionally classified urban collectors or higher.	80% Federal, 20%Non-Federal
Safety Set Aside of STP	Provides funding for making high hazard improvements on state highways.	80% Federal, 20%Non-Federal
Federal Transit Program (FTA)	Provides funding for planning, capital and operating assistance, major capital needs such as a light or commuter rail system development, large bus or rail fleet purchases, construction of transit facilities, passenger equipment for special needs, intercity bus programs, and state administration of projects of a transit nature.	80% Federal, 20%Non-Federal (Capital) 50% Federal, 50%Non-Federal (Operating)
Federal Aviation Administration Program (FAA)	These funds are used for statewide grants to Tennessee and Virginia air carrier and general aviation airports and can cover up to 90 percent of the total cost of airport projects, depending on the type of project. Eligible projects include: Safety Projects, Airside Improvement and Enhancement Projects, Landside Improvement and Enhancement Projects, and Planning Projects	Varies – Federal and Non-Federal

B. Previous Projects and Funding – Street and Highway

Historic funding trends provide a reasonable foundation for estimating likely future funding levels over the next 25-year period in the MPO area. From 1980 to 2005 numerous street and highway projects were funded and developed within the Kingsport MPO area. It is hard to gauge an average for street and highway project spending in the Kingsport MPO or any other area, particularly when costs may be reflective of topography or other construction difficulties (the relative cost per mile may be considerably higher – or lower – from region to region). However, the total expenditures can be calculated and utilized to get a general historic perspective of transportation revenues available in the MPO area.

Appendix D contains a detailed listing of transportation expenditures over the past 25 years within the MPO area by various federal, state, local, and private sources - by geography and/or jurisdiction within the Kingsport MPO area. It provides a breakdown of the funding sources for

each project and for each Federal or State funded project listed, the local match was provided, as necessary.

Table 40 provides an overall summary of historic transportation expenditures for the 25 year period between 1980 and 2005, based on the assessment contained in Appendix D. Note that with the exception of Interstate “Maintenance” funds in Tennessee, these dollars do not include funds for operations and maintenance activities.

Tennessee	City of Kingsport	Sullivan County	Hawkins County	Washington County	Source Total	Average/Yr
Local Govt.	\$5,470,000	\$13,270,000	-0-	-0-	\$18,740,000	\$749,600
Local STP	\$7,405,000	\$1,000,000	\$330,000	-0-	\$8,735,000	\$1,000,000*
State	\$60,650,000	\$1,000,000	\$5,600,000	\$3,000,000	\$70,250,000	\$3,210,000
State STP	-0-	\$8,800,000	-0-	-0-	\$8,800,000	\$352,000
Fed Bridge	\$12,500,000	\$3,000,000	-0-	-0-	\$15,500,000	\$620,000
Fed Interstate (IM/NHS)	\$110,000,000	-0-	-0-	-0-	\$110,000,000	\$4,400,000
Fed RR Safety	-0-	\$150,000	-0-	-0-	\$150,000	\$6,000
Fed Road Safety	-0-	-0-	\$130,000	-0-	\$130,000	\$5,200
Private	\$660,000	-0-	-0-	-0-	\$660,000	\$26,400
Total Funds	\$196,685,000	\$27,220,000	\$6,060,000	\$3,000,000	\$232,965,000	\$9,369,200
Virginia	Scott/Gate City/Weber City			Source Total	Average/Yr	
Local STP				\$3,000,000	\$120,000	
State				\$10,300,000	\$412,000	
Fed Bridge				\$2,500,000	\$100,000	
Total Funds				\$15,800,000	\$632,000	
Grand Total					\$248,765,000	\$10,001,200

* adjusted for local STP funding based on recent allocation through SAFETEA-LU

C. Future Funding Expectations – Street and Highway Capital Improvements

The amount of funds expended on transportation infrastructure within the Kingsport MPO area over the last 25 years was provided in the table above. The aforementioned total amount is not a perfect representation of what the Kingsport MPO area typically receives in total funding for roadway projects within this time frame. However, it does reveal the funding and efforts made by all sources to continue improving the area's transportation system.

Table 41 provides a projection of funding for the next 25 years (totaling approximately \$500 million) and is based on projected revenue forecasts that are grounded in average historic funding trends over past 25 years in the Kingsport MPO area. These revenue forecasts were developed in consultation with VDOT and TDOT. To account for anticipated future funding increases, an annual inflation factor of 4.5% was applied to each future year through 2030. Table 42 is a summary of these funds by funding category. With the exception of Interstate Maintenance funding in Tennessee, these projections do not include operations and maintenance funds.

Table 41: Projected 25-Year Funding for Street and Highway Projects in the Kingsport Area MPO			
Tennessee	Annual Average Funding	Inflation Factor; 4.5% per year X Plan Period	Projected 25-Year Total
Local Government	\$ 749,600	4.5% X 25 years	\$ 34,155,682
Local STP*	\$ 1,000,000	4.5% X 25 years	\$ 45,565,210
State	\$ 3,210,000	4.5% X 25 years	\$ 146,264,325
State STP**	\$ 352,000	4.5% X 25 years	\$ 16,038,954
Federal Bridge	\$ 620,000	4.5% X 25 years	\$ 28,250,430
Federal Interstate (NHS/ IM)	\$ 4,400,000	4.5% X 25 years	\$ 200,486,925
Federal Railroad Safety	\$ 6,000	4.5% X 25 years	\$ 273,391
Federal Road Safety	\$ 5,200	4.5% X 25 years	\$ 236,939
Private	\$ 26,400	4.5% X 25 years	\$ 1,202,922
TN - Total Annual & 25-Year Funding	\$ 10,369,200	4.5% X 25 years	\$ 472,474,777
Virginia	Annual Average Funding	Inflation Factor, 4.5% per year X Plan Period	Projected 25-Year Total
Federal BR	\$ 100,000	4.5% X 25 years	\$ 4,556,521
State	\$ 412,000	4.5% X 25 years	\$ 18,772,867
Local STP**	\$ 120,000	4.5% X 25 years	\$ 5,467,825
VA - Total Annual & 25-Year Funding	\$ 632,000	4.5% X 25 Years	\$ 28,797,213
Grand Total	\$11,001,200	4.5% X 25 Years	\$501,271,990

* Local STP is based on formula funding determined by TDOT and VDOT

** This funding category also assumes revenues available for Transportation Enhancements.

Table 42: Twenty-Five Year (estimated) Capital Funding – TN & VA

State	Local Govt.	Local STP*	State	State STP	Federal Bridge	Federal Railroad	Federal Safety	Interstate (NHS/IM)	Private	Totals
TN	\$ 34,155,682	\$ 45,565,210	\$146,264,325	\$16,038,954	\$28,250,430	\$273,391	\$ 236,939	\$200,486,925	\$1,202,922	\$472,474,777
VA	n/a**	\$5,567,825	\$18,772,867	-	\$4,556,521	-	-	***\$40,000,000	-	\$63,733,522
Total	\$34,155,682	\$51,133,035	\$165,037,192	\$16,038,954	\$32,806,951	\$273,391	\$236,939	\$240,486,925	\$1,202,922	\$541,371,991

* Local STP is based on formula funding determined by TDOT and VDOT

** Local government funds are not assumed in the future funding projections for Virginia because VDOT maintains all local roads within towns and counties – no local matching funds are required.

*** It is assumed that \$40 million in NHS Funds will be available in the VA side of the Kingsport MPO over the next 25 years for expense associated with the Moccasin Gap Project (Project No. NC-4)

Note: Totals reflect a 4.5% inflation factor per year

D. Financially Constrained Schedule of Development – Streets and Highways

From the list of proposed improvements developed in Chapter 6, the Kingsport Area MPO, in cooperation with local jurisdictions, will periodically make decisions based on available funding and each specific project's level of importance. Criteria for decision-making, which includes level of service demands, traffic warrants, safety concerns, development pressures, and cost estimates, are necessary in order to develop a future year perspective on scheduling and funding. They do not necessarily take into consideration unforeseen circumstances, such as unexpected environmental concerns, periods of high inflation, or unexpected construction costs (for example, rock removal or encountering underground streams). However, for planning purposes, some level of accuracy is assumed in order to match up funding possibilities with project costs, priorities, and schedules.

Future funding is based on historical funding for various highway projects (Section B). The same assessment of funding resources was applied in both Tennessee and Virginia. It is assumed that these funding levels will continue. It is important to note that funding levels can fluctuate depending on the need as well as the commitment made by various sources to increase funding beyond what would normally be expected.

Funding sources and anticipated revenues are identified individually, which is important because many Federal programs are restricted to funding specific types of projects. Certain funds, such as STP, can be used for a wide variety of projects from road widenings, to pedestrian paths, to transit. As a result, STP funds can be allocated among many different types of projects identified in the 2030 Plan.

E. Summary of Financial Constraints – Street and Highway Project Costs and Funding Sources

Previously, a series of tables presented the process whereby past and future funding was extrapolated for application or assignment to recommended projects, primarily street and roadway improvements. A prioritization method was also used in order to rank projects according to need and relative importance, before applying dollars. The net result is a financially constrained set of projects, with the understanding that costs are projected estimates and funding is likewise. Table 43 provides a summary of these projected costs and a comparison of projected revenues, by source, clearly indicating that while numerous projects can theoretically be afforded, there are also many that are left out because of financial constraints. However, this method and listing does give the local and state transportation planners, local and state officials, and local citizenry a tool (and opportunity) to discuss and

make decisions on what projects should possibly be developed ahead of others and how they can be funded and ultimately developed.

Table 43: Summary of Cost versus Revenues by Project Type					
Tennessee	Expenditures	Revenue	Difference		
Signalization	\$5,145,255	\$472,474,778	\$90,712,261		
Intersection Improvements	\$6,831,755				
Minor Reconstruction	\$12,634,459				
Major Reconstruction	\$190,488,770				
New Corridor	\$150,927,477				
Other	\$1,143,390				
Sub-Total	\$367,171,106				
TSM Improvements	\$3,258,661				
Pedestrian Improvements	\$7,146,187				
Bike Improvements	\$4,186,562				
Sub-Total	\$12,820,000				
Grand Total - TN	\$381,762,517			\$472,474,778	\$90,712,261
Virginia	Expenditures			Revenue	Difference
Signalization	\$457,356	\$68,897,213	\$12,871,104		
Intersection Improvements	0				
Minor Reconstruction	\$343,017				
Major Reconstruction	\$3,773,187				
New Corridor	\$49,165,769				
Other	-				
Sub-Total	\$53,739,329				
TSM Improvements	\$114,339				
Pedestrian Improvements	\$2,172,441				
Bike Improvements	0				
Sub-Total	\$2,286,780				
Grand Total - VA	\$56,026,109			\$68,897,213	\$12,871,104
Grand Total – Combined	\$437,788,626			\$541,371,991	\$103,583,365

F. Street and Highway Operations and Maintenance – Future Funding Expectation

Capital improvements typically require the greatest investments of transportation dollars. However, it is important for existing and future facilities to be maintained in order to protect the public's investment. The expense of maintaining the current transportation systems is typically shared between state and local governments. State highway maintenance funds are provided through the Departments of Transportation for items such as pavement markings, signage, resurfacing, snow removal, and minor repairs. Local governments provide a substantial amount of equipment and manpower to maintain local streets and roads, including some state routes.

TDOT is responsible for operations and maintenance of interstate and state routes across Tennessee. In the portions of Sullivan County and Hawkins County that fall within the Kingsport MPO, TDOT expends approximately \$1,050,000 to maintain the interstates and state routes. TDOT also provides State Street Aid to reimburse local governments when their crews maintain or provide minor repair to state routes. In Kingsport this is approximately \$200,000 per year. Sullivan County receives around \$9,000,000 each year, of which \$3,000,000 is spent in the MPO area. Operations include items such as providing labor and equipment for public transit systems, power and service for traffic signals and signal systems, toll booths, and other related activities.

In Virginia, VDOT maintains all roadways in Gate City and Weber City. Scott County roadways outside of Gate City and Weber City are maintained by VDOT's district offices in Gate City and Bristol. VDOT budgets around \$4,900,000 for all of Scott County, of which around \$1,200,000 is spent in the MPO area.

Within the Kingsport MPO area there are five jurisdictions that expend local funds to maintain local roadways. These include Sullivan County, Tennessee; Hawkins County, Tennessee; City of Kingsport; Town of Mount Carmel; and Town of Church Hill. Local government budgets specify funding through public works departments for maintaining streets in a variety of activities, including resurfacing, cleaning, right-of-way mowing, litter control, signage, pavement markings, snow removal, and others. Table 44 provides an approximation of annual funds spent for maintaining area streets and roads, by jurisdiction, within the Kingsport MPO area. Based on Table 44 figures, plus applying a standard inflation rate, Table 45 provides a projection of funding for maintaining study area streets and roadways through the year 2030. Actual costs are not included, as budgets are typically utilized to determine funds expended for this activity.

Table 44: Maintenance Funds Budgeted for the 2030 Plan Area – By Jurisdiction

	Annual Budget for Roadway Maintenance	Miles of Roads Maintained	Available Funds Per Mile
TENNESSEE			
Sullivan County (local funds)	\$ 9,100,000	915	\$ 9,945
City of Kingsport (local funds)	\$ 2,700,000	355	\$ 7,605
Town of Mount Carmel (local funds)	\$ 150,000	50	\$ 3,000
Town of Church Hill (local funds)	\$ 100,000	n/a	n/a
Hawkins County (TDOT funds for interstates and state routes)	\$ 300,000	65	\$ 4,615
Sullivan County (TDOT funds for interstates and state routes)	\$ 750,000	130	\$ 5,770
VIRGINIA*			
Virginia DOT / Scott County	\$ 1,200,000	200	\$ 6,000
Gate City , Town of	Maintained by VDOT	n/a	n/a
Weber City, Town of	Maintained by VDOT	n/a	n/a

*VDOT maintains all roads in Virginia.

Table 45: Projected Funds for Street and Road Maintenance – By Jurisdiction

	Base Year	25 Year Revenues for Roadway Maintenance – to 2030 (25 years X 4.5%)
Sullivan County	\$ 9,100,000	\$ 414,643,412
Kingsport, City of	\$ 2,700,000	\$ 123,026,067
Mount Carmel, Town of	\$ 150,000	\$ 6,834,782
Church Hill, Town of	\$ 100,000	\$ 4,556,521
Hawkins County (TDOT funds for interstates and state routes)	\$ 300,000	\$ 13,669,563
Sullivan County (TDOT funds for interstates and state routes)	\$ 750,000	\$ 34,173,908
Virginia DOT / Scott County	\$ 1,200,000	\$ 54,678,252
Gate City , Town of	Accounted for in VDOT amount above	Accounted for in VDOT amount above
Weber City, Town of	Accounted for in VDOT amount above	Accounted for in VDOT amount above
Total Annual Budget – Roadway Maintenance	\$14,300,000	\$ 651,582,505

G. Public Transportation (Transit) – Current and Projected Costs / Revenues

Chapter 5 provided a brief description of the history and current status of public transit/transportation service in the Kingsport Area MPO. None of the cities outside of Kingsport provide an urban service or provide a city transit (bus) system. Except for the City of Kingsport, all of the surrounding areas are served with public transit service through state supported and regionally operated rural programs, which consists of demand response van service that focuses primarily on the elderly and disabled. In Virginia, it is provided by the Mountain Empire Older Citizens Agency and, in Tennessee, the First Tennessee Human Resource Agency (TRANSNET). Funding for these programs comes almost entirely through the Federal Transit Administration, state subsidies (TDOT and VDOT), and local government subsidies. A small amount of revenue comes from user fees or fares. The City of Kingsport provides a full-scale, city-wide bus service known as KATS (Kingsport Area Transit Service), again funded primarily by the Federal Transit Administration, Tennessee Department of Transportation, and the City of Kingsport, a small portion of which is contributed through the farebox. The breakdown for these funding sources, by share, is approximately 43% federal, 21% state, 21% city, and 15% farebox. This is based on federal and state regulation pertaining to subsidies to local programs. For the rural programs, it is about the same percentage for each source as well.

For the purpose of establishing and adhering to the policy of financial constraint, within the 2030 plan, public transportation operating costs are based on the past expenditures of systems in the area and the trends that have transpired. These trend-lines are projected out to year 2030. Funding is projected in the same manner. The only available funding that is within the jurisdictional guidance of the Kingsport Area MPO and this Plan is the Kingsport Area Transit System (KATS). No other costs are available for this plan. Consequently, Table 46 provides a listing of projected operating costs for the KATS bus system in Kingsport, through the year 2030. Included in this table is a projection of funding amounts and sources that will supply the needs for operating the system throughout the next 25 years. Table 47 and Table 48 provide a listing of capital projects and cost recommendations over the next 25 years.

Table 46: Transit Operations; Projected Funding & Expenditures	
Anticipated Revenues	Total 2006-2030
Farebox / Program Income - Fixed Route	1,506,705
Farebox / Program Income - ADA/Paratransit	1,632,264
Total Farebox / Program Income	\$3,138,969
FTA Section 5307 - Allocation	\$25,624,240
Total FTA Allocation	\$25,624,240
State Operating Assistance - Allocation	10,698,120
Total State Operating Assistance	\$10,698,120
Local Budget Subsidy - Fixed Route	4,045,459
Local Budget Subsidy - ADA/Paratransit	3,066,485
Total Local Budget Subsidy	\$7,111,944
Total Anticipated Revenues	\$46,573,273
Anticipated Operating Expenditures	Total 2006-2030
Operating Costs - Fixed Route	\$ 17,688,573
Operating Costs - ADA / Paratransit	\$ 13,898,139
Total Operating Costs	\$ 31,586,712
Surplus Funding (Available For Capital Expenditures)	\$ 14,986,561

Reflects anticipated 2% growth per year in expenditures and revenues

	No. of Vehicles	2005-2015	No. of Vehicles	2015-2030	Total Budget
Building Construction/Renovations		\$1,050,000		\$ 150,000	\$ 1,200,000
Security		\$ 50,000		\$ 75,000	\$ 125,000
Hardware/Software Upgrades		\$ 25,000		\$ 37,500	\$ 62,500
Transit Stops & Transit Enhancements		\$ 150,000		\$ 225,000	\$ 375,000
ITS Equipment		\$ 180,000		\$ 150,000	\$ 330,000
Passenger Bus (26 seat plus w/c) \$200,000 each	4	\$ 800,000	4	\$ 800,000	\$ 1,600,000
Trolley Bus (26 seat plus w/c) \$250,000 each	1	\$ 250,000	3	\$ 750,000	\$ 1,000,000
Vans (15 seat plus w/c) \$50,000 each	9	\$ 450,000	18	\$ 900,000	\$ 1,350,000
Capital Improvements – Grand Total		\$2,955,000		\$1,537,500	\$ 6,042,500

	2006-2010	2010-2015	2016-2020	2021-2025	2026-2030	2006-2030
Projected Capital Improvements Plan - Expenditures						
Building Construction/Renovations	50,000	1,000,000	50,000	50,000	50,000	1,200,000
Security	25,000	25,000	25,000	25,000	25,000	125,000
Hardware/Software Upgrades	12,500	12,500	12,500	12,500	12,500	62,500
Transit Stops & Transit Enhancements	75,000	75,000	75,000	75,000	75,000	375,000
ITS Equipment	80,000	100,000	50,000	50,000	50,000	330,000
Passenger Bus (26 seat plus w/c)	200,000	600,000	0	600,000	200,000	1,600,000
Trolley Bus (26 seat plus w/c)	0	250,000	250,000	250,000	250,000	1,000,000
Vans (15 seat plus w/c)	150,000	300,000	450,000	50,000	400,000	1,350,000
Capital Improvements - Total Expenses	\$592,500	\$2,362,500	\$912,500	\$1,112,500	\$1,062,500	\$6,042,500
Anticipated Revenues – Capital Improvements						
Federal Transit Section 5307 - 80% Federal	1,852,243	2,045,026	2,257,874	2,492,875	2,752,335	11,400,352
State Match (approx.) - 10% Match	231,530	255,628	282,234	311,609	344,042	1,425,044
Local Budget Subsidy - 10% Match	231,530	255,628	282,234	311,609	344,042	1,425,044
State Op – Fleet Only	351,124	387,670	428,019	472,567	521,752	2,161,132
Total Available Funding - Amount	\$2,666,428	\$2,943,952	\$3,250,361	\$3,588,661	\$3,962,172	\$16,411,573
Total Remaining - Previous Years Unexpended Amount	2,073,928	2,655,380	4,993,240	7,469,401	10,369,073	10,369,073
Total Remaining Funds	\$2,073,928	\$2,655,380	\$4,993,240	\$7,469,401	\$10,369,073	\$10,369,073

NOTE: Funding Derived from Available Surplus of Federal and State Appropriations after Operating Expenses are applied

Chapter 5 provides a projection of fleet replacement needs, also accompanied by funding sources and amounts. Most of KATS expenses are involved in fleet purchase. However, Table 48 summarizes all other capital needs that may occur over the next several years. In summary, all tables will place an emphasis on the availability of funds and a presentation of fiscal constraints over the next several decades.

H. Bicycle and Pedestrian Project – Current and Projected Costs and Revenues

Chapters 5 and 6 described various bicycle and pedestrian facilities and offered a master plan for developing an MPO area bikeway. Some of the segments of the inner and outer loops can also be used as pedestrian ways and/or walking trails. While sidewalks are typically a local issue related to subdivision development, a suggestion was also made to consider developing a series of links from the primary greenbelt trails to adjacent neighborhoods. Much of the MPO-Area Bikeway can serve multiple purposes; links to communities and neighborhoods, pedestrian trail segments, an over-the-road bike route, and more leisurely facilities for bicycling. The total cost of this proposal is spread over numerous segments and scheduled for development over a minimum of 20 years. Funding this master plan will require a consistent flow of federal and state grant funds, as well as healthy contributions from local governments and/or local sources. Like street and roadway projects within the 2030 Plan, financial constraint will be applied to bicycle and pedestrian needs. Consequently, Table 49 provides a review of the cost estimates found in Chapter 6 and a similar method used to project future funding. This reveals the potential, over time, of having available funding to complete all of the segments listed.

Table 49: Bicycle and Pedestrian Improvements; Projected Funding and Expenses (based on funding over past 15 years – available records)

Jurisdiction	15-Year Total	Annual Average
Kingsport Grant Funding (estimated)	\$2,300,000	
Kingsport Contributions (estimated)	<u>\$1,000,000</u>	
Average Funding Per Year / 15 years	\$3,300,000	\$220,000
Sullivan County Grant Funding (estimated)	\$800,000	
Sullivan County Contributions (estimated)	<u>\$50,000</u>	
Average Funding Per Year / 15 years	\$850,000	\$56,667
Hawkins County Grant Funding (estimated)	\$150,000	
Hawkins County Contributions (estimated)	<u>\$185,000</u>	
Average Funding Per Year / 15 years	\$335,000	\$22,333

Virginia Area Grant Funding (estimated)	\$1,500,000	
Virginia Area Jurisdictions Contributions	<u>\$50,000</u>	
Average Funding Per Year / 15 years	\$1,550,000	\$103,333
Total Historic Grant Funding Per Year	\$6,035,000	\$402,333

Table 50: Fiscal Constraint (Bicycle & Pedestrian Improvements)

Financial Constraint	
Total Project Costs (Inner & Outer Loops)	\$13,505,191
Anticipated Revenue (4.5% Inflation)	\$18,332,403
Difference	\$4,827,212

I. TIP Projects and 2030 Plan

As part of the MPO process, the interaction of the long-range transportation plan with the Transportation Improvement Program is important in facilitating a smooth transition, from the planning stages of a project to implementation. The Long Range Plan identifies needed improvements and reinforces them with justifications and/or warrants. However, it does not necessarily place a specific schedule on implementation, although the critical nature of an identified problem area, i.e., high volume to capacity ratio, may, to some degree, dictate which projects are given priority. The TIP draws its projects, in most cases, from those identified in the long-range plan. The long-range plan provides the list of projects and the nature of each problem: the MPO and/or administrative government selects these projects, based on the results of local, state, and federal decision-making. The TIP thus reflects the decision to improve specific long-range plan projects, according to several factors, including needs, costs, and overall design for improving the areas' street and highway network in a timely fashion, bearing in mind fiscal constraints. The TIP normally presents projects scheduled for the next 3 to 5 years. It also presents the estimated costs, a general description of the type of improvements, the funding sources and mixture, and the funding amounts.

The Kingsport Area MPO has published a Transportation Improvement Program since 1977. Because it is a document that focuses on federally funded projects, not all local major improvements to local streets and highways have been listed. However, TIP projects do include Federal Highway Administration funded projects, approved by the MPO Executive Board and Staff, as well as Federal Transit Administration projects. Any other project which has regional significance, regardless of funding source, should also be included in the TIP. The TIP gives a review of project type, funding source and the schedule of implementation, including pre-engineering, purchase of right-of-way, and construction. Each phase is given an estimated cost,

and the funding match that is required. The scheduling of phases is important in assisting state, federal, and local governments in incorporating expenses into budgets for each fiscal year. In summary, the TIP is a planning tool for budgetary needs, for project scheduling, for those involved in design work, and for the MPO Executive Board and Staff, in assuring that smooth transitions occur from prioritized projects that are drawn from the long-range plan.

J. 2030 Plan Recommendations and Link to Goals and Objectives

Chapter 1 presented the 2030 Long Range Plan's goals and objectives. These regional goals and objectives were developed in coordination with the MPO member jurisdictions' policies as well as the federal and state requirements. The 2030 Plan uses a comprehensive approach to evaluate future transportation system needs in the Kingsport area, resulting in a list of various recommended improvements, including street and highway facilities, a bikeway and pedestrian system, public transit operations, and other transportation issues (freight, air quality). One can now look back at these original goals and determine where and how they can be met through these recommendations. This is reflected in Chapter 6, which provides a listing of the 2030 Plan recommendations and their relationship to these goals and objectives. Where and how these goals have been met, in each listing, will be checked. In every case, at least one goal has been met, and in most, more than one goal has been met by each project.