



Transportation Summit

Lake Transportation Alternative Funding Task Force (TAFTF) Recommendations

April 8, 2009



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&
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Planning and Engineering

Presented by:

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Lake TAFTF**



Presentation Overview

Lake County Board of County Commissioners Transportation Alternative Funding Task Force

Recommendations on Lake County Transportation Funding Options *December 8, 2008*

Recommendations on Funding Sources

- Background
- Observations
- Recommendations
- Conclusions

(2) the revenue potential of the source in terms of low, moderate, high or variable yield potential; (3) the revenue potential of the source in terms of low, moderate, high or variable yield potential; (4) the action required to enact the funding source for the recommended purpose; and (5) a narrative explanation of the Task Force's rationale and clarifying the recommendation. Following the recommendations on funding sources, an extensive background section is provided on how the Task Force reached final conclusion on the recommendations.

Each description of funding source includes the following: (1) the taxing source from which funds would be derived; (2) the purpose for which the Task Force supports utilization of the funding source; (3) the revenue potential of the source in terms of low, moderate, high or variable yield potential; (4) the action required to enact the funding source for the recommended purpose; and (5) a narrative explanation of the Task Force's rationale and clarifying the recommendation. Following the recommendations on funding sources, an extensive background section is provided on how the Task Force reached final conclusion on the recommendations.

The Task Force viewed the issue of transportation as one linked directly to the health, safety and welfare of the community. The group stated that the importance of transportation ranks as high as other infrastructure needs like water, sanitary sewer and schools and the need, in fact, outweighs many other services provided by county government. For this reason, and because the group was hesitant to support an increase in taxes or fees during the current economic downturn, the Task Force has focused its recommendations on the comprehensive effects of funding policy.

Additionally the group felt in light of the disproportionate growth in county revenues and expenditures the county needed to shift monies out of peripheral projects and refocus those monies on roads. The group suggested that adequate funding first be achieved for the health, safety and welfare of the citizens of Lake County before any funding of non-essential services. It was suggested that perhaps a budget assessment committee be formed to analyze all budgets before presentation to the commission for adoption.

In reviewing the history of transportation funding through the last three decades, the group concluded that Lake County underwent an incremental shift in funding policy that deviated from utilizing property taxes and that established an over-reliance on impact fees. Through the last five years, road construction costs increased in unprecedented fashion and revenues declined due to fewer impact fees collected and due to a first-ever decline in fuel tax revenues. During this same timeframe, ad valorem tax revenue also increased at an unprecedented rate.



Background



- Task Force created by Lake BCC
- Broad membership
- 12 Meetings
- Exhaustive review of details
- Recommendations December 2008
- BOCC Workshop - January 2009



Observations



- Current situation evolved last 20+ years
 - Departure from Ad Valorem funding
 - Over-dependency on Impact Fees
- Maintenance vs. Capacity Expansion Needs



Recommendations



Option	Source	Purpose	Revenue Potential	Location
Cost Cutting (Option 1)	Current Roadway Maintenance and Capacity	Enhanced Efficiency	Low to Moderate	Countywide



Recommendations



Option	Source	Purpose	Revenue Potential	Location
General Fund (Option 2)	Ad Valorem Property Tax	Maintenance	Variable	Countywide
Municipal Role (Option 3)	Municipal Ad Valorem, Fuel Taxes, Sales Taxes	Maintenance and Capacity	High	Countywide and Cities
Ad Valorem (Option 4A)	Countywide Ad Valorem Tax	Capacity	Moderate to high (Variable Based on Millage Rate)	Countywide
Commercial Ad Valorem Growth (Option 4B)	Countywide Ad Valorem Commercial Property Tax	Capacity	Moderate to high (Variable Based on Commercial Development)	Countywide
Countywide MSTU (Option 5A)	Ad Valorem Property Tax	Capacity	High	Countywide and Cities
Unincorporated MSTU (Option 5B)	Ad Valorem Property Tax	Capacity	High	Unincorporated



Recommendations



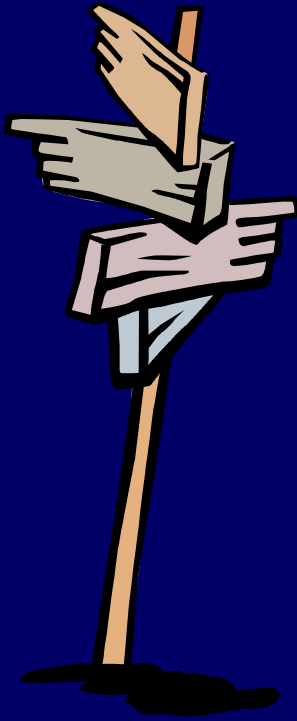
Option	Source	Purpose	Revenue Potential	Location
Impact Fees (Option 6)	New Construction Starts or Expansions	Capacity	Moderate to High	Countywide
Fuel Taxes (Option 7)	Gas and Diesel Fuel Sales	Maintenance	Moderate (2nd LOGT)	Countywide
Public-Private Partnerships (Option 8)	Private Funds or part of development projects	Capacity	Variable	Countywide
Other Funding Sources (Option 9)	User Fees/Tolls/MSBU's and Special Districts	Capacity and Maintenance	Variable	Countywide
Sales Tax (Option 10)	Sales receipts of goods and services	Capacity	High	Countywide



Conclusions



- Implement cost cutting measures
- BCC - begin revenue policy reform
- New impact fee study is needed
- Implement public budget assessment committee
- Transportation
 - supports health, safety and welfare of citizens
 - is critical to economic vitality of county



Thank You!

