

<i>Sources</i>	<i>Increase / Change</i>	<i>Revenues Generated (2011\$M)</i>	<i>Revenues Generated (2035 Pop in M\$)</i>
<i>User Fees</i>			
Farebox Revenues	TBD	TBD	
Motor Fuel Purchase Tax Increase	\$.25 per gallon	\$447	\$715
VMT Fees	\$.01 per mile	\$393	\$629
Increase in Vehicle Registration Fees	\$100 per vehicle	\$391	\$626
Utility Fees	\$15 per month per household	\$294	\$470
<i>General Revenues</i>			
Increased State Sales Tax	1%	\$572	\$915
Increased State Property Tax	4 mills	\$200	\$320
Increased State Income Tax	1%	\$1,044	\$1,670
Lodging Tax	1% of current statewide lodging spending	\$27	\$43
Change in Lottery Tax Allocation	Reallocation of 10% of lottery program profits	\$11	\$18
<i>Value Capture Mechanisms</i>			
Development Fee	\$10,000 per residential unit and 1% fee on the value of commercial development	\$169	\$270
Total		\$3,548	\$5,676

If you were charged with coming up with a strategy to fund an initial operating segment of the HST/HSIPR estimated to cost \$2 billion, what three (3) revenue sources would you pick from the revenue summary list? You are also free to select more than three. Please assume that you need to come up with \$70 million per year. Please use the revenue summary sheet to adjust the revenues generated as well as the level of increase or change needed in the revenue source.

Project Cost: \$2 billion

Revenues Required: \$1 billion (assumes 50% federal grant)

Annual Revenues Needed: \$60 to \$80 million annually for 30 years* (*Capital recovery factor which is annual payment on bonds; typically 6 to 8% of loan amount depending on interest rate assumed)

Goal: \$70 million per year

<u>Revenue Source</u>	<u>Tax/Fee</u>	<u>Revenues Generated</u>
1.		
2.		
3.		

Please rank the three (3) revenue sources you chose using the following criteria:

- *Equity* - Does it disproportionately impact lower income people? Do users who use the system pay more for the benefits?
- *Political Acceptability* - Is it supported by the public? Is there a logical connection between the tax / fee and the system?
- *Impact on Competitiveness* – would the tax / fee place an onerous burden on residents, businesses and visitors creating a disincentive to live, work, or recreate in the area?

Please place a Low (L), Medium (M) or High (H) ranking in the boxes corresponding to the revenue sources you chose and the criteria. Please also provide an overall ranking in the “Total” column for the revenue source.

Revenue Source	Equity	Political Acceptability	Impact on Competitiveness	TOTAL
User Fees				
Transit Fares				
Motor fuels tax increase				
VMT Fees				
Utility Fees				
General Revenues				
Sales and Use Tax				
State Income Tax				
Property Tax				
Lodging Tax				
Lottery Tax Reallocation				
Value Capture Mechanisms				
Development Fee				