CHAPTER 9

FINANCIAL ISSUES

This financial analysis is intended to provide policy officials with a realistic understanding of the difficulties of funding the transportation improvements needed in Kenton County. It identifies the improvements that can reasonably be expected to be funded if transportation revenues continue at their present level through the planning period (to 2030) and presents funding issues for county road improvements.

FINANCIAL OUTLOOK

This financial analysis involves a comparison of the county’s estimated transportation costs and revenues. The analysis is conducted in two parts to account for different funding sources. One analysis is for facilities that receive federal and state funding, which is focused on State Roads (i.e., state and federal roads), ITS, and transit. The other analysis is for the Primary County Road system, for which Kenton County has major financial responsibility.

The results of the analyses, as presented in Table 9-1, indicate that the revenues expected during the planning period (to 2030) can cover the costs of the following:

- operation and maintenance (O&M) for State Roads, ARTIMIS, and bus transit;
- this plan’s recommendations for improving ARTIMIS and bus transit and for a study of Bus Rapid Transit, and
- this plan’s recommendations for “Priority Projects” for State Roads.

This approach gives priority first to funding the existing system’s operation and maintenance, which responds to federal and regional policy for preserving and maintaining the existing transportation infrastructure, and then to funding the recommended improvements.

The expected revenues do not cover the cost of all of Kenton County’s transportation needs. The shortfall affects the implementation of the following:

- “Needed Projects” for State Roads;
- light rail and streetcar systems; and
- improvements for Primary County Roads.

The shortfall is significant as an indicator of transportation needs in comparison to revenues, but its size may be reduced.

- Local and state officials are taking the initiative to seek a Congressional appropriation to cover the cost of the Brent Spence Bridge replacement ($465
million). Their efforts are warranted by the magnitude of the bridge’s cost and its importance to national commerce and infrastructure. (If the bridge is funded through this approach, more of the “expected revenues” would be available to cover the cost of “Needed Projects” that are currently included in the shortfall.)

- The cost of the light rail and/or streetcar systems ($566 million inclusive of operation and maintenance) will be deducted from the shortfall when a decision is made that will either commit the systems to funding or forego them as recommendations.
- The cost of improvements to Primary County Roads ($25 million) is an issue that the county will be considering.

Regardless of the outcome of efforts to reduce the shortfall, it is likely that some of the “Needed Projects” for State Roads will not be funded until after 2030.

### Table 9-1. Financial Summary of Plan Recommendations

<table>
<thead>
<tr>
<th></th>
<th>Estimated Total Cost</th>
<th>Estimated Revenues</th>
<th>Shortfall (to 2030)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Roads-Capital</td>
<td>$1,358,660,000</td>
<td>$681,560,000</td>
<td>$677,100,000</td>
</tr>
<tr>
<td>State Roads-O&amp;M</td>
<td>$299,700,000</td>
<td>$299,700,000</td>
<td></td>
</tr>
<tr>
<td>ARTIMIS</td>
<td>$31,300,000</td>
<td>$31,300,000</td>
<td></td>
</tr>
<tr>
<td>Bus</td>
<td>$240,800,000</td>
<td>$240,800,000</td>
<td></td>
</tr>
<tr>
<td>BRT Study</td>
<td>$450,000</td>
<td>$450,000</td>
<td></td>
</tr>
<tr>
<td>Light Rail</td>
<td>$502,600,000</td>
<td>-</td>
<td>$502,600,000</td>
</tr>
<tr>
<td>Streetcar</td>
<td>$63,500,000</td>
<td>-</td>
<td>$63,500,000</td>
</tr>
<tr>
<td>Primary County Roads</td>
<td>$25,000,000</td>
<td>-</td>
<td>$25,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,522,010,000</strong></td>
<td><strong>$1,253,810,000</strong></td>
<td><strong>$1,268,200,000</strong></td>
</tr>
</tbody>
</table>

In addition to the persistence of some level of financial shortfall, there is also the issue of the need to restrain the growth of the shortfall, i.e., reduce the need for additional transportation improvements. Given that there is not enough money to fund all of the transportation improvements needed during the planning period, the county needs policy that will tighten the linkage between transportation and land use. This plan initiates that policy linkage by giving funding priority to transportation improvements in areas where development is established, underway, or imminent and consistent with the county’s Land Use Plan. In addition, public resources and growth should be directed to areas that are already developed or earmarked for development, consistent with the county Land Use Plan, and should avoid creating new needs for expanding roadway capacity.

### FUNDING SOURCES AND REVENUES

The revenues for funding Kenton County’s State Roads, ARTIMIS, and transit are estimated to average $26.8 million per year through the planning period (a total of nearly $750 million). These revenues are for funding transportation improvements
and for operation and maintenance. About two thirds of the funds are for meeting highway needs ($18.5 million per year), and the other third for transit expenses ($8.3 million per year). As shown in Table 9-2, these funds come from federal, state, and local sources through a variety of programs.

Table 9-2. Estimated Transportation Revenues

<table>
<thead>
<tr>
<th>Federal Sources for Highway</th>
<th>Annual</th>
<th>To 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interstate Maintenance Program (IM)</td>
<td>$1,553,000</td>
<td>$43,484,000</td>
</tr>
<tr>
<td>National Highway System (NHS)</td>
<td>$1,690,000</td>
<td>$47,320,000</td>
</tr>
<tr>
<td>Surface Transportation Program (STP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>STP (areas over 200,000 pop.)</td>
<td>$2,406,000</td>
<td>$67,368,000</td>
</tr>
<tr>
<td>Safety Funds</td>
<td>$350,000</td>
<td>$9,800,000</td>
</tr>
<tr>
<td>Enhancement Funds</td>
<td>$350,000</td>
<td>$9,800,000</td>
</tr>
<tr>
<td>STP Discretionary Funds</td>
<td>$2,624,000</td>
<td>$73,472,000</td>
</tr>
<tr>
<td>Congestion Mitig. &amp; Air Quality Improv. (CMAQ)</td>
<td>$1,153,000</td>
<td>$32,284,000</td>
</tr>
<tr>
<td>Bridge Replacement and Rehabilitation</td>
<td>$954,000</td>
<td>$26,712,000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$11,080,000</td>
<td>$310,240,000</td>
</tr>
</tbody>
</table>

| State Sources for Highway | | |
| Construction Projects | $3,148,000 | $88,144,000 |
| Maintenance Projects | $2,443,000 | $68,404,000 |
| Primary Pavement Rehab. | $502,000 | $14,056,000 |
| Resurfacing Program | $640,000 | $17,920,000 |
| Rural Secondary | $639,000 | $17,892,000 |
| Subtotal | $7,372,000 | $206,416,000 |

| Federal and Local Sources for Transit | | |
| FTA Capital & Operating | $1,646,000 | $46,088,000 |
| Local Transit Fund | $5,229,000 | $146,412,000 |
| Fare Box Revenues | $1,425,000 | $39,900,000 |
| Subtotal | $8,300,000 | $232,400,000 |

| Total | $26,752,000 | $749,056,000 |

NOTE: Many of the highway-related programs have varying degrees of flexibility for funding transit.

The federal funding sources for transportation, as described in Table 9-3, are established under the Transportation Efficiency Act for the 21st Century (TEA-21). Each program’s funds are apportioned to the states on a formula basis.

At the state level, Kentucky uses gasoline tax receipts, as well as other revenues, to finance five programs for the construction, reconstruction, and maintenance of state roads and bridges. For transit, fare box revenues and local funding sources help finance capital, maintenance, and operating expenses.
### Table 9-3. Description of Federal Transportation Funding Sources

<table>
<thead>
<tr>
<th>Source</th>
<th>Match Requirement</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interstate Maintenance (IM)</strong></td>
<td>10% state match</td>
<td>For interstate system rehabilitation, restoration, &amp; resurfacing; for reconstruction if capacity is not added; for addition of high-occupancy vehicle &amp; auxiliary lanes</td>
</tr>
<tr>
<td><strong>National Highway System (NHS)</strong></td>
<td>20% state match</td>
<td>For the NHS (160,000 miles of the nation's major roads), which includes interstates, a large percentage of urban and rural principal arterials, the defense strategic highway network, and strategic highway connectors</td>
</tr>
<tr>
<td><strong>Surface Transportation Program (STP)</strong></td>
<td>20% state or local match</td>
<td>For roads that are not functionally classified as local or rural minor collectors, transit capital projects, and other modes as noted below. State STP funds are distributed among 5 programs as indicated.</td>
</tr>
<tr>
<td>Areas with over 200,000 population</td>
<td>25%</td>
<td>Provides OKI share; used for roads and transit as indicated above &amp; also for commuter rail, bus facilities, carpool projects, traffic monitoring, &amp; bike &amp; pedestrian projects</td>
</tr>
<tr>
<td>Remaining Areas in the State</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>STP Discretionary Funds</td>
<td>30%</td>
<td>Discretionary use in any area of the state</td>
</tr>
<tr>
<td>Enhancements</td>
<td>10%</td>
<td>Includes pedestrian and bicycle improvements</td>
</tr>
<tr>
<td>Safety Construction Activities</td>
<td>10%</td>
<td>Includes hazard elimination and rail-highway crossings</td>
</tr>
<tr>
<td><strong>Bridge Replacement and Rehabilitation</strong></td>
<td>20% state or local match</td>
<td>For replacing bridges that are unsafe</td>
</tr>
<tr>
<td><strong>Congestion Mitigation and Air Quality Improvement Program (CMAQ)</strong></td>
<td>20% state/local match</td>
<td>For projects that contribute to meeting air quality standards (eligibility requires documentation of emissions reduction)</td>
</tr>
<tr>
<td><strong>Federal Transit Administration (FTA) Funding</strong></td>
<td>20% state or local match</td>
<td>For capital projects and 50% state or local match for operating assistance</td>
</tr>
<tr>
<td>Section 5307</td>
<td></td>
<td>For urbanized areas based on statutory formula; for highway or for transit maintenance involving capital projects (such as bus replacement) or for operating assistance</td>
</tr>
<tr>
<td>Section 5309</td>
<td>(20% state/local)</td>
<td>For rail transit &quot;new starts,&quot; rail modernization, and bus-related facilities</td>
</tr>
</tbody>
</table>
This plan’s estimated revenues provide a reasonable basis for identifying transportation financing issues, but the estimates need to be revised during the plan update process to account for funding changes. Estimates are based on the continuation of current funding programs and funding levels (as of 2002) through 2030, but funding provisions will change when TEA-21 is re-authorized in 2003. The estimates use current funding allocations for Northern Kentucky provided by the Kentucky Transportation Cabinet as a basis for future funding allocations. Revenue estimates include the state/local match.

Kenton County’s share of Northern Kentucky transportation funds is based on ratios of road mileage or population. For highways, Kenton County’s share of revenues is based on a ratio of its state road mileage (821 miles) to that of Northern Kentucky (2,184 miles). For transit, Kenton County’s share of revenues is based on its share of Northern Kentucky’s population in the year 2000.

**FUNDING NEEDS**

The cost of maintaining and improving Kenton County’s State Roads, ARTIMIS, and transit through the planning period (to 2030) is an estimated $2.497 billion, as shown in Table 9-4. Estimates include the cost of operation and maintenance (O&M) of the existing system as well as the capital and O&M costs for projects recommended in this plan.

<table>
<thead>
<tr>
<th></th>
<th>Capital Costs</th>
<th>O &amp; M Costs</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Roads</strong></td>
<td>$1,358,660,000</td>
<td>$299,700,000</td>
<td>$1,658,360,000</td>
</tr>
<tr>
<td><strong>ARTIMIS</strong></td>
<td>$17,100,000</td>
<td>$14,200,000</td>
<td>$31,300,000</td>
</tr>
<tr>
<td><strong>Bus</strong></td>
<td>$45,500,000</td>
<td>$195,300,000</td>
<td>$240,800,000</td>
</tr>
<tr>
<td><strong>BRT Study</strong></td>
<td>$450,000</td>
<td>-</td>
<td>$450,000</td>
</tr>
<tr>
<td><strong>Light Rail</strong></td>
<td>$400,000,000</td>
<td>$102,600,000</td>
<td>$502,600,000</td>
</tr>
<tr>
<td><strong>Streetcar</strong></td>
<td>$24,000,000</td>
<td>$39,500,000</td>
<td>$63,500,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,845,710,000</td>
<td>$651,300,000</td>
<td>$2,497,010,000</td>
</tr>
</tbody>
</table>

The basis for the capital costs is further detailed in Chapters 3 (Transit), 4 (Bus Rapid Transit Initiative), 5 (State and Federal Roads), and 8 (System Operation, which include ARTIMIS). The cost of recommended improvements to bicycle and pedestrian facilities is embedded in costs for State Road projects or are a local responsibility, as discussed in Chapter 7. Additional cost information is presented below.
• **Cost of State Roads**

  **Capital Cost** ($1,358,660,000) - This cost is the sum of the costs of the “Priority Projects” and the “Needed Projects” presented in Chapter 5. It includes $1 billion for four interstate improvements, which amounts to 74% of the State Road capital cost. The four projects are the Brent Spence Bridge replacement ($465 million) and the addition of two lanes to three interstate segments: I-75 between the Brent Spence Bridge and Kyles Lane ($100 million), I-75 between Kyles Lane and I-275 ($217.5 million), and I-275 between I-75 and the AA Highway ($217 million for the Kenton County portion).

  **O&M Cost** ($299,700,000 through 2030) - This represents the cost of preserving and maintaining the interstate and state highway systems in Kenton County. O&M involves resurfacing, rehabilitation, reconstruction, traffic signal system upgrade, and seasonal maintenance (road-salting, grass-cutting, etc.).

• **Cost of ARTIMIS**

  **Capital Cost** ($17,100,000) - This is Kenton County’s estimated share of Northern Kentucky’s cost for ITS improvements recommended in the **OKI Regional Intelligent Transportation System Plan, 2001**. Kenton County’s cost share is based on the ratio of its road mileage to Northern Kentucky’s.

  **O&M Cost** ($14,200,000 through 2030) - Kenton County’s share of the O&M cost for ARTIMIS was estimated based on a cost split of 25% and 75% between Kentucky and Ohio, respectively, and Kenton County’s share of Northern Kentucky’s road mileage.

• **Cost of Bus Transit**

  **Capital Cost** ($45,500,000) – This cost covers the gradual replacement of TANK’s bus fleet during the planning period (TANK estimates $3 million per year for bus replacement) and the implementation of new park-and-ride lots and transit centers in Northern Kentucky. Kenton County’s share of TANK’s capital cost estimate is based on the county’s share of Northern Kentucky’s population.

  **O&M Cost** ($195,300,000 through 2030) - Kenton County’s share of TANK’s O&M cost is based on an estimated average annual O&M cost of $15 million for Northern Kentucky and Kenton County’s share of Northern Kentucky’s population.

• **Cost of BRT Study**

  The cost of the recommended study for Bus Rapid Transit is estimated to be $450,000. The study will include the development of cost estimates for implementing a BRT system.
• **Cost of Light Rail**

  **Capital Cost** ($400,000,000) - Kenton County’s share of the recommended light rail system’s capital cost includes $97 million for the first phase from Cincinnati to 12th Street in Covington (1.4 miles) and $303 million for the second phase from 12th Street to the Boone County line (8.5 miles).

  **O&M Cost** ($102,600,000 through 2030) – This is based on estimated costs per mile and assumptions that the first phase will become operational by 2008 and that the second phase will become operational in 2020.

• **Cost of Streetcar**

  **Capital Cost** ($24,000,000) – This is estimated to cover the cost of 1.5 miles of track from the south end of the bridge over the Ohio River to the center of the Bridge over the Licking River and Kenton County’s share of the cost of vehicles and the operation and maintenance facility.

  **O&M Cost** ($39,500,000 through 2030) - This estimate is based on the system becoming operational in 2010.

**COUNTY ROAD SYSTEM**

For the county roads, this financial analysis provides

- an overview of funding sources and revenues for county roads,
- the estimated cost of needed improvements for the Primary County Roads, and
- funding issues for improving the Primary County Roads.

The analysis shows that current revenues and funding sources for county roads cover the cost of basic maintenance and emergency repairs with little revenue left over for improvements. The financial analysis is based on three years of data for fiscal years 2000, 2001, and 2002 (the fiscal year ends on June 30). The data is extracted from the overall budget of the county’s Department of Public Works, which is responsible for recreational facilities (parks and golf courses) in addition to roads. The county’s road budget is integrated with the Department of Public Works’ budget. The estimates are a reasonable indicator of the magnitude of revenues and expenses for county roads.

As part of this analysis, the cost of improving Primary County Roads was estimated based on the roadway assessment and priority needs presented in Chapter 6. The cost of improvements to address safety issues, bring conditions up to standards (avoid deterioration that would shorten the life of the infrastructure), and improve key intersections (as a safety issue) amounts to an estimated $25 million.

This analysis clearly shows that the cost of needed improvements for Primary County Roads cannot be addressed by the county’s current transportation funding levels and
sources. As part of this plan, a strategy is proposed for funding needed improvements over the next ten years.

**Funding Sources and Revenues**

For county roads, annual average revenues are an estimated $4.7 million, as presented in Table 9-5.

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>FY 2000</th>
<th>FY 2001</th>
<th>FY 2002</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal/State Grants</td>
<td>-</td>
<td>$97,325</td>
<td>$73,028</td>
<td>$56,784</td>
</tr>
<tr>
<td>Truck License Fees</td>
<td>$178,856</td>
<td>$195,462</td>
<td>$174,755</td>
<td>$183,024</td>
</tr>
<tr>
<td>Drivers License Fees</td>
<td>$14,126</td>
<td>$13,966</td>
<td>$14,486</td>
<td>$14,193</td>
</tr>
<tr>
<td>County Road Aid Fund</td>
<td>$345,007</td>
<td>$490,262</td>
<td>$349,652</td>
<td>$394,974</td>
</tr>
<tr>
<td>City Transfer</td>
<td>$4,598</td>
<td>$124,907</td>
<td>$56,415</td>
<td>$61,973</td>
</tr>
<tr>
<td>A - Subtotal</td>
<td>$542,587</td>
<td>$921,922</td>
<td>$668,336</td>
<td>$710,948</td>
</tr>
<tr>
<td>Maint/Snow Removal</td>
<td>$22,374</td>
<td>$40,239</td>
<td>$23,625</td>
<td>$28,746</td>
</tr>
<tr>
<td>Road Signs</td>
<td>$1,393</td>
<td>$1,618</td>
<td>$6,601</td>
<td>$3,204</td>
</tr>
<tr>
<td>Vehicle Repairs</td>
<td>$267,706</td>
<td>$262,373</td>
<td>$312,494</td>
<td>$280,858</td>
</tr>
<tr>
<td>B-Subtotal*</td>
<td>$291,473</td>
<td>$304,230</td>
<td>$342,720</td>
<td>$312,808</td>
</tr>
<tr>
<td>A + B Subtotal</td>
<td>$834,060</td>
<td>$1,226,152</td>
<td>$1,011,056</td>
<td>$1,023,756</td>
</tr>
<tr>
<td>County General Funds</td>
<td>$3,713,891</td>
<td>$3,764,738</td>
<td>$3,611,986</td>
<td>$3,696,872</td>
</tr>
<tr>
<td>Total Roadway</td>
<td>$4,547,951</td>
<td>$4,990,890</td>
<td>$4,623,042</td>
<td>$4,720,628</td>
</tr>
</tbody>
</table>

* The department of Public Works has contractual relationships with other county agencies or departments for repair and maintenance activities.

SOURCE: Kenton County Fiscal Court, Office of the Treasury

Over the past three years, county transportation revenues have been generated as follows:

- 15% from traditional roadway sources, such as vehicle license fees, Roadway Aid Funds, and grants (Subtotal A),
- 7% from non-traditional funding sources (the Department of Public Works has contractual relationships with other county agencies or departments for vehicle fleet repair and maintenance/repair activities; Subtotal B), and
- 78% from the County General Fund.

Most of the roadway revenues are used for fixed expenses or maintenance, as indicated in Table 9-6. The expenses are an estimated $4.2 million per year, which leaves very little for discretionary spending for the roadway system.
Table 9-6. County Roadway Expenses

<table>
<thead>
<tr>
<th>Expenses</th>
<th>FY 2000</th>
<th>FY 2001</th>
<th>FY 2002</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adm.Ofc.of Road Supervisor</td>
<td>$137,266</td>
<td>$147,338</td>
<td>$159,307</td>
<td>$147,970</td>
</tr>
<tr>
<td>Major Road Projects*</td>
<td>$487,451</td>
<td>$810,537</td>
<td>$757,951</td>
<td>$685,313</td>
</tr>
</tbody>
</table>

Road Maintenance

| Salaries                  | $821,236| $792,158| $833,295| $815,563|
| Signs/Pavt Striping       | $41,149 | $36,052 | $55,852 | $44,351 |
| Asphalt/Stone/Gravel      | $628,617| $586,029| $626,235| $613,627|
| Fuel/Parts/Supplies       | $403,121| $633,291| $563,104| $533,172|
| **Subtotal**              | $1,894,123| $2,047,530| $2,078,486| $2,006,713|

| Supplies/Tools/Equip/Salaries| $701,015| $758,193| $934,881| $798,030|
| Gen Admin/Ins/Retirement    | $532,408| $547,696| $607,802| $562,635|

**Roadway Total**

<table>
<thead>
<tr>
<th>FY 2000</th>
<th>FY 2001</th>
<th>FY 2002</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,752,263</td>
<td>$4,311,294</td>
<td>$4,538,427</td>
<td>$4,200,661</td>
</tr>
</tbody>
</table>

* Capital Improvement Projects are programmed as part of a budget process and include emergency repairs and/or reconstruction.
SOURCE: Kenton County Fiscal Court, Office of the Treasury

As indicated above, on average, about 84% ($3,515,348) of the budget is absorbed by fixed accounts (administration, salaries, and supplies) or directed toward the critical work of maintaining the existing system. The remaining 16% ($685,313) in the “Major Road Projects” category represents discretionary spending, but expenditures are for necessary improvements or projects related to emergency needs (e.g. repair form slides) rather than programmed projects related to long-range capital improvements.

**Cost of Improvements**

In addition to the county road expenditures presented in the preceding section, there are costs associated with the needed improvements to Primary County Roads that are prioritized in Chapter 6. The costs to meet satisfactory safety needs, meet adequate engineering standards, and improve intersection safety is estimated at $25 million.
### Table 9-7. Cost of Primary County Road Improvements

<table>
<thead>
<tr>
<th>Needed Improvement</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Re-striping</td>
<td>$22,000</td>
</tr>
<tr>
<td>Pavement Widening</td>
<td>$7,500,000</td>
</tr>
<tr>
<td>Pavement Resurfacing</td>
<td>$8,500,000</td>
</tr>
<tr>
<td>Intersection Improvements</td>
<td>$2,200,000</td>
</tr>
<tr>
<td>New Signs</td>
<td>$186,000</td>
</tr>
<tr>
<td>Right-of-way Acquisition</td>
<td>$5,600,000</td>
</tr>
<tr>
<td>Design/Contingency</td>
<td>$970,000</td>
</tr>
<tr>
<td><strong>Total Cost</strong></td>
<td><strong>$24,978,000</strong></td>
</tr>
</tbody>
</table>

The preceding cost estimates account for the following priority needs:

- **Safety Measures**
  - Provide pavement markings/re-striping on roads with markings in poor, very poor, or fair condition
  - Provide signs that are missing or in poor or fair condition
  - Replace guardrail in fair condition (cost is included in Pavement Widening)
- **Upgrade to Standard**
  - Resurface or repair roads with pavement in very poor, poor, or fair condition
  - Widen pavement on roads less than twenty feet
- **Re-align 14 intersections** (field work identified the need for these intersections to be reconstructed and/or realigned in order to meet highway safety standards)

The cost of major widening, which may be needed for Dudley Pike and other roads with a future LOS of F (see Chapter 6), is beyond the scope of this planning study. Detailed preliminary engineering will be needed to determine the costs of these major projects and the methods for financing them.

### Funding Issues

Kenton County’s transportation revenues are not adequate to cover needed improvements to the Primary County Roads. The estimated annual average revenues for county roads of $4.7 million – which is used almost entirely for fixed expenses, maintenance, and emergency needs – cannot cover the estimated $25 million for improving Primary County Roads and additional cost for expanding roadway capacity to accommodate future traffic.

Kenton County has been able to keep a reasonable balance between meeting roadway needs for maintenance and capital improvements largely because of the Fiscal Court’s ability to transfer money from the General Fund. This may become increasingly difficult as demands for maintenance and improvements increase. Roadway expenses increased about 21% between 2000 and 2002, and they will continue to grow as traffic volumes and land development increase.
As part of a funding strategy, the implementation of needed improvements could be staged over a ten year period as follows.

- Upgrade pavement markings, signs, and guardrail conditions within the next two years (estimated cost of $208,000).
- Complete the projects related to maintenance of the roadway pavement and resurfacing within the next four years.
- Complete roadway widening and upgrade to adequate engineering standards within the next ten years.
- Complete project improvements related to capacity increases for both roadway sections and intersections within the next ten years.

The additional funds needed to implement the improvements will require Kenton County to take new initiatives. In addition, the county will want to coordinate closely with the state, especially for any intersection improvements that would involve both state and county roads.

Additional suggestions for Kenton County initiatives to fund county road improvements include the following.

- Consider investigating the potential for other sources of revenue from the state and federal governments for capacity expansion. (Roads that are functionally classified as Urban Collectors are eligible for federal and state funds, but funding is difficult to obtain since county roads must compete with state roads. Primary County Roads classified as Urban Collectors that potentially need capacity expansion based on a projected LOS F include all or parts of Dudley, Anderson, Erlanger Crescent Spring, Grand, and Garvey Roads. Other Primary County Roads classified as Urban Collectors are all or parts of Old Taylor Mill, Bromley Crescent Spring, Mills, Buffington, Wolf, and Wayman Branch Roads.)
- Consider creating public/private partnerships that take advantage of opportunities to cost-share, as appropriate.
- Consider adopting a countywide policy to conduct traffic impact analysis to determine the needed roadway improvements resulting from new development of any type, with improvements required accordingly. Such a policy would be administered by the NKAPC and would defray the cost of improvements.
- Consider obtaining funding through a bond and/or levy program.
- Consider requesting Rural Secondary Program funding for improvements to county roads located in the rural part of the county. This source does not provide funding continuity, but it may be used to address priority needs, generally not to exceed a cost of $100,000.