

Chapter

6

Financial Plan

MTP 2040

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This chapter discusses the 2040 MTP financial plan. Federal legislation requires that the MTP be "financially constrained." In other words, the cost of implementing and maintaining transportation improvements should be within a funding amount that can reasonably expected to be available during the life of the plan.



Chapter

6

Introduction

Federal regulations establish the requirements for the financial plan in Title 23, Section 450.322(f)(10), of the Code of Federal Regulations (CFR). To summarize, the regulations (effective December 2007) state that the MTP financial plan should include the following:

- Estimates of costs and revenue sources reasonably expected to be available to adequately operate and maintain federal-aid highways and public transportation
- Estimates of funds that will be available to support the MTP implementation and that are agreed upon by the MPO, public transportation operator(s), and the state
- Recommendations on any additional financing strategies to fund projects and programs included in the MTP
- Revenue and cost estimates that use an inflation rate to reflect “year of expenditure dollars” and that have

been developed cooperatively by the MPO, state, and public transportation operator.



Financial Constraint Analysis Summary

Financial planning for the 20-year time horizon of a Metropolitan Transportation Plan presents challenges requiring rigorous data collection, financial analysis, and forecasting. Financial plans need to demonstrate fiscal constraint, meaning that the cost of projects in the short-term and long-term planning periods will be met by existing and future resources.

A detailed financial analysis, demonstrating that the projects and programs planned through 2040 are financially constrained, is included in Appendix E. A summarized version is included in this chapter.

The 2040 MTP confirms that all planned projects and programs are financially constrained. Table 6-1 provides a condensed summary of the financial constraint analysis.

Funding to implement the MTP recommendations comes from federal,

state, and local sources. This financial element of the MTP includes updated estimates of costs that would be required to implement the MTP as well as updated estimates of existing and contemplated sources of funds available to pay for these improvements.

Different sets of revenue assumptions apply for capital, M&O, and for each

non-motorized mode (pedestrian, bicycle, and trail facilities); public transportation and railroad; and roads.

The costs to design, construct, operate, and maintain all elements of the recommended MTP through 2040 are more than \$4 billion. As indicated in Table 6-1, AMATS estimates there will be sufficient revenues to cover project implementation to year 2040.

Table 6-1: Financial Constraint Analysis (\$ in Millions)

2018-2040 ALL Projects	Short Term (2018-2030)	Long Term (2031-2040)
Road, Bike/Ped/Trail, Railroad, Transit		
Project Costs	1,104.7	1,203.9
Inflation Amount on Project Costs	148.6	139.9
Total Project Costs	1,253.3	1,343.8
Revenue	1,254.4	1,357.8
Total	(1.1)*	(14.0)**

* The analysis performed indicates an estimated surplus of \$1.1 million by the end of the short term planning period that will be carried over to the long term period.

** The analysis performed indicates an estimated surplus of \$14.0 million by the end of the long term planning period, in year 2040.

Identifying MTP Time Frames

The improvements in the MTP are broken into short and long term ranges. Short-term improvements are those anticipated to be fully funded and in place by 2030. Long term projects are those anticipated to be fully funded and in place by 2040.

Projects that are not expected to be funded by 2040, because of fiscal constraint are listed as illustrative, meaning that they could be included in the adopted transportation plan if additional resources beyond those identified in the financial plan become available.

Table 6-2 summarizes the short-term, long-term and illustrative projects for the planning period.

The 2040 MTP used screening criteria to identify projects that should be considered in the short and long term lists and projects that should be identified as illustrative. These projects are listed in Chapter 7.

Short Term (2018-2030) : The total short-term project costs are calculated by adding the short term project costs to the total inflation on project costs over the short term period. Short term revenue is then subtracted from these totals, and any amount left over is carried over to the Long Term.

Long Term (2031-2040) : The total long-term project costs are calculated by adding the long term project costs to the total inflation on projects costs over the long-term period, plus any carryover from the short-term. Long term revenue is then subtracted from these total costs. At the end of the Long Term, the MTP is required to be fiscally constrained.

Table 6-2: Recommended Projects by Time Frame

Transportation Mode	Short Term (2018-2030)*	Long Term (2031-2040)**	Illustrative (Beyond 2040)
Roadway	37 Projects (\$979.6M)	17 Projects (\$1,132.3M)	19 Projects (\$1,134.3M)
Public Transportation	9 Projects (\$76.5M)	9 Projects (\$66.9M)	0 Projects
Railroad	7 Projects (\$29.2M)	7 Projects (\$21.0M)	0 Projects
Non-Motorized	37 Projects (\$168.0M)	13 Projects (\$123.6M)	2 Projects (\$75.5M)

Note: *Project costs are shown in 2018-2030 dollars and have been inflated.

Note: **Project costs are shown in 2031-2040 dollars and have been inflated.

Balancing Costs and Revenue

Cost Assumptions

The impacts of inflation in determining anticipated revenue and costs were considered in updating the 2040 MTP financial plan. Adopted cost estimates for the roads and pedestrian, bicycle, and trail capital projects are 2018 estimate amounts provided by the DOT&PF or MOA. Projects included in adopted plans that contained cost estimates were inflated to the base year. A “year of expenditure” inflator of 2.0 percent was applied to the base year through 2030. The 2.0 percent inflator is based on general guidance from the FHWA. For the remainder of the plan (2031-2040), an inflator of 2.5 percent was applied.

All tables in this chapter reflect planning level cost estimates for use in demonstrating funding constraints, according to FHWA guidance. Planning level estimates require making assumptions about project designs and therefore can be speculative. All funding is subject to federal, state, and local

appropriation.

The financial plan does not establish the specific year in which each project will be constructed. Rather, it tallies the total capital costs for all projects in 2018 dollars, and then applies the inflation rate to identify the project costs in current year dollars. The total capital cost is then reduced from that year’s projected revenue, and the balance is then increased by the inflator and carried over to the next year.

This methodology was applied to each mode in the financial analysis (see Table 6-1). By the year 2040, the cost of the recommended improvements must balance with projected revenues to meet the federal requirements for a fiscally constrained MTP.

Revenue Assumptions

Based on recent economic changes, AMATS used a conservative approach to develop updated revenue estimates that can reasonably be expected to be available for transportation from federal, state, and local

funds. All revenue assumptions and projections were derived through a collaboration with and consent of state, local, and federal partners. The AMATS TAC and PC approved a revenue growth scenario for each identified funding source.

To determine the inflator for the revenue projections, the yearly average of the Anchorage Consumer Price Index (CPI) was determined. Between 1998 and 2017, the average annual change in the Anchorage area CPI was 2.1 percent. All revenues for capital projects and operations and maintenance (O&M) were inflated 2.1 percent annually. It is important to note that depending on the revenue source, the inflator was applied at different years.

Projected revenue from identifiable sources for all capital projects add up to a total of \$2.6 billion in 2040. See Table 6-3 for the short term and long term revenue sources.

The MTP financial assumptions indicate no shortfall to occur by 2040 for projects.

Project Costs

Roads - Capital Costs and Estimated Revenues

Road capital projects are divided into two categories: NHS and non-NHS projects. The purpose of the NHS is to provide an interconnected system of highways, freeways, and principal arterial routes to serve major population centers, international border crossings, ports, airports, public transportation facilities, and other major travel destinations that meet nation defense requirements; and serve interstate and interregional travel. Some federal funds are specifically designated only for use on the NHS. The priorities for those funds are determined statewide, by the DOT&PF. However, funds other than NHS funds can also be spent on NHS Facilities.

The cost of implementing NHS road

improvement recommendations in this MTP is approximately \$682.4 million (with inflation) in the Short Term and \$1.021 billion (with inflation) in the Long Term. Other NHS-related expenditures for pavement rehabilitation, rut repair, and preservation are included with the O&M costs. Federal revenues designated for the NHS, and state funding and capital program sources projected to be available to pay for NHS improvements are approximately \$1.016 billion. The remaining balance of \$687.4 million can be covered by a portion of available non-NHS revenue.

Non-NHS revenue sources can be used more flexibly than NHS funding. The estimated expenditures for the non-NHS road portion of the MTP total is \$297.2 million (with inflation) in the Short Term and \$111.9 (with inflation) million in the Long Term. The remaining revenue from all



sources (federal, state, and local) available to fund these needs is approximately \$1.099 billion. A portion of the non-NHS revenue, \$687.4 million is applied toward funding the NHS program described above.

Estimates of individual road project costs are found in Chapter 7, Table 7-1. The short term and long term total funding amounts and the use of the revenue for the road projects are shown in Table 6-1.

Public Transportation - Capital Costs and Estimated Revenues

Public transportation capital costs are projected to be \$76.4 million (with inflation) in the Short Term and \$67.0 million (with inflation) in the Long Term. Projected revenue total \$76.4 million in the Short Term and \$67.0 million in the Long Term.

Available capital funding from federal and municipal sources is sufficient to cover the estimated capital expenses. The capital program funding will be from:

- FTA sources (Section 5307, 5309, and 5339)
- The FHWA Congestion Mitigation and Air Quality Improvement (CMAQ) Program, as well as state and local matching funds
- Local funding (MOA Local funds and general obligation bonds)

- State Legislative grants and a State Transit Match Assistance program

Individual public transportation project costs are found in Chapter 7. The Short Term and Long Term total funding amounts and the use of the revenue for public transportation projects are shown in Table 6-1.

Non-Motorized Transportation - Capital Costs and Estimated Revenues

Non-motorized transportation project costs are projects to be \$168.2 million (with inflation) in the Short Term and \$123.5 million (with inflation) in the Long Term.

Available capital funding from federal, state, and municipal sources is sufficient to cover the non-motorized projects in the 2040 MTP. With approximately \$168.6 million in the short Term and \$134.9 million in the Long

Term. There is an estimated \$11.8 million dollars leftover in the non-motorized funding source.

Funding for the non-motorized projects was based on historical revenue trends, including federal, state, and local sources. AMATS federal funding for non-motorized transportation projects is based on 10 percent of non-NHS funding as established in AMATS policy and procedure #3. Sidewalk, bicycle, and trail improvements included as part of a roadway project are in addition to the non-motorized projects show in Table 6-2.

Individual non-motorized transportation project costs are found in Chapter 7, Table 7-3. The Short Term and Long Term total funding amounts and the use of the revenue for non-motorized transportation projects are shown in Table 6-1.

Alaska Railroad - Estimated Revenues

Capital funding for selected Alaska Railroad Corporation (ARRC) improvements is estimated to originate from the FTA and Federal Rail Administration (FRA) with an estimated \$29.1 million (with inflation) in the Short Term and \$21.0 million (with inflation) in the Long Term. The ARRC projects are estimated to cost \$29.1 million (with inflation) in the Short Term and \$21.0 million (with inflation) in the Long Term. The estimated available funding is sufficient to cover the estimated capital expenses.

Individual ARRC project costs are found in Chapter 7, Table 7-3. The Short Term and Long Term total funding amounts and the use of the revenue for ARRC projects are shown in Table 6-1.



Revenue and Funding Sources for MTP Projects (All Modes)

Three main funding sources have been identified to implement the MTP recommendations. The sources and assumptions are described below.

Municipal Funds

For the MTP financial plan, it is assumed that the MOA will continue to issue voter approved bonds within Anchorage Roads and Drainage Service Area (ARDSA) in support of transportation improvements and to provide matching funds to federally funded projects. Forecast funding levels are based on the amount of bond funding that has historically gone to MTP projects from 2005 to 2017, coupled with those funds included in the 2018-2024 Capital Improvement Program (CIP). The 2005-2024 amounts were averaged and increased by the Anchorage CPI at 2.1 percent per year, beginning in 2026.

State Funds

For the 2040 MTP financial plan, it is assumed the State of Alaska will continue to fund Anchorage area transportation improvements as appropriated by the Alaska Legislature. The amount of state general funds appropriated by the Legislature for the MTP projects in 2006-2019 was averaged and increased by the CPI starting in 2025. However, forecast funding levels are not applied to the MTP until 2024 to reflect the reduction in state funds.

Alaska's state funding has historically been based on revenue from oil tax, with higher cost of oil allowing more spending on MTP projects. In fall of 2014 crude oil prices plummeted from over \$100 a barrel in August of 2014 to under \$50 per barrel in January of 2015. This reduction in oil prices

has stayed low at \$46-\$57 dollars a barrel in 2019. This has a significant impact on the ability of the state to spend money on the transportation projects listed in Chapter 7 of this document. To reflect this reduction in oil prices, the MTP zeroed out the majority of state spending on MTP projects for 2018 through 2023. While crude oil prices are currently still below the historically high amounts, state spending on MTP projects is expected to return in 2024.

Statewide general obligation (GO) bonds are assumed to continue in the future, approximately every 10 years. Anchorage received \$37.5 million in 2002, \$36.1 million in 2008, and \$76.0 million in 2013. These amounts were averaged in 2018 and then increased by the CPI in 2019. The forecast amount was not applied to the MTP until 2030 to reflect the reduction in state spending on transportation projects.

The 2040 MTP assumes that no new revenue sources, outside those outlined in Table 6-3 will come online during the 20 years of the MTP.

Federal Funds

For the MTP financial plan, it is assumed that both the FHWA and FTA will continue to provide funds. Federal funds for the NHS, which are based on historical average and coordinated with the DOT&PF, are estimated at \$25 million per year beginning in 2019, with CPI applied beginning in 2020. The AMATS allocation shown in the Statewide Transportation Improvements Program (STIP), estimated at \$18.6 million per year with CPI applied in 2023, is the primary funding source for non-NHS projects.

The non-NHS funds allocated to AMATS are programmed into four categories by percentage, as identified in No. 3 of the AMATS policies and procedures:

- Non-Motorized: 10-15 percent
- Congestion Mitigation Air Quality (CMAQ): 10 percent
- Pavement Replacement: 15-20 percent (included in the O&M analysis)
- Roadway Improvements: 55-65 percent

Federal Funding

The total expected amounts of federal, state, and local funds for the 2040 MTP are presented by category in Table 6-2. Figure 6-1 shows the annual levels of federal, state, and local funds expected through the year 2040. The comparison of the funding assumptions by mode is shown in Figure 6-2.

Figure 6-2 Breakdown of Revenue Percentages for the 2040 MTP

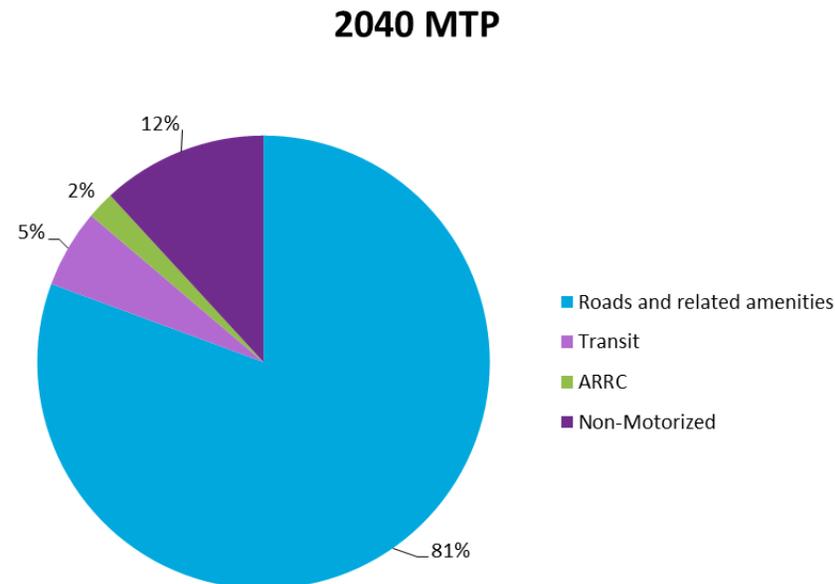


Figure 6-1 AMATS Historical, Programmed, and Projected Capital Funding

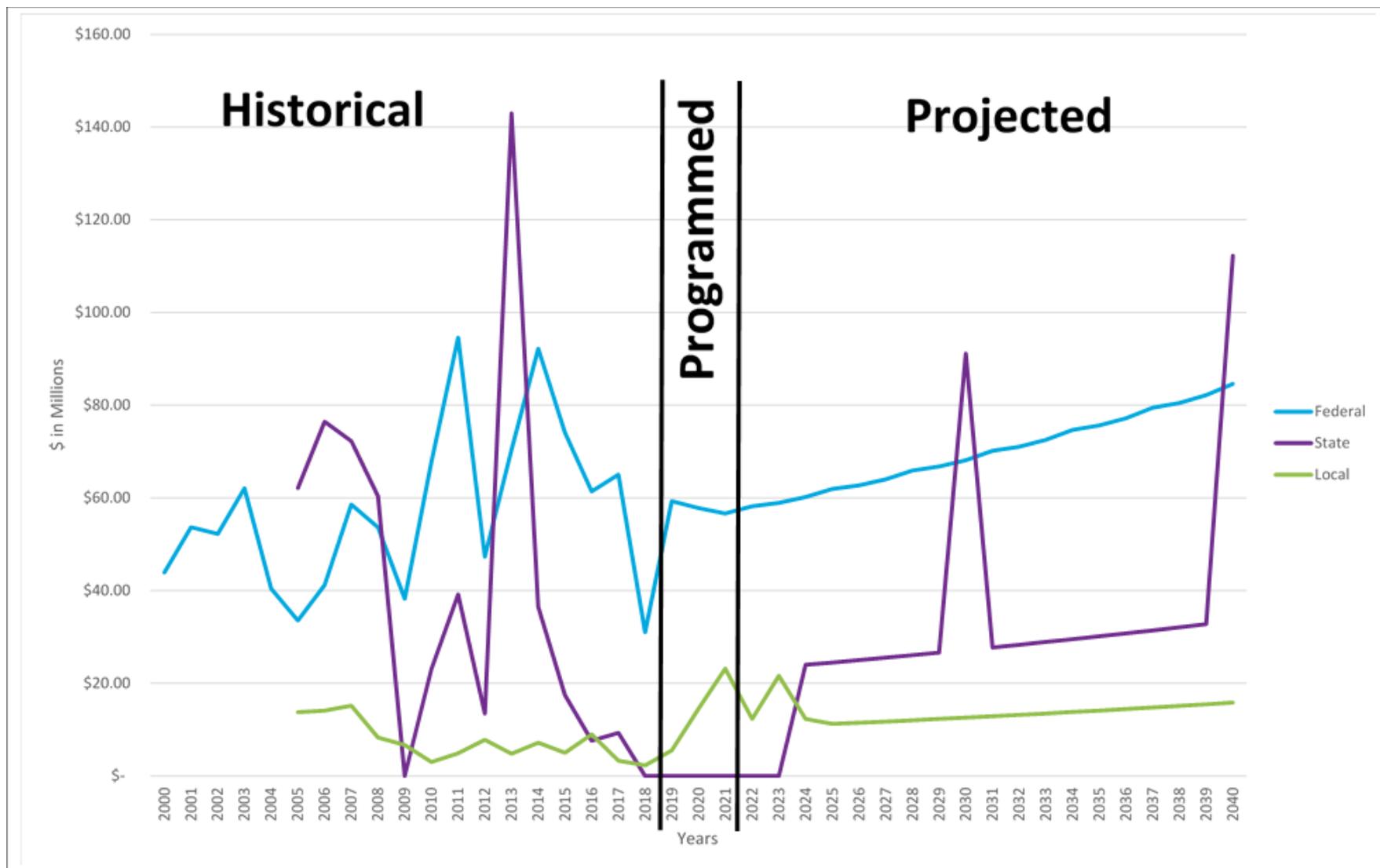


Table 6-3 Revenue Sources (in year of expenditure dollars)**

REVENUE SOURCES	Notes*	REVENUE IN \$ MILLIONS		Total
		Short Term (2018-2030)	Long Term (2031-2040)	
		Total	Total	
MOA Road Capital (Road Bonds to MTP Projects)	Note 1	59.6	78.7	138.3
State Legislative Grants (Not Including State Bonds) - NHS	Note 2	65.9	112.3	178.2
State Legislative Grants (Not Including State Bonds) -Non-NHS	Note 2	101.8	173.7	275.4
Federal Other	Note 3	0	0	0
FHWA NHS (Anchorage & Chugiak/Eagle River)	Note 4	340.6	353.9	694.6
FHWA Non-NHS (Anchorage & Chugiak/Eagle River)	Note 5	273	271.2	544.2
HSIP	Note 6	75.4	66.3	141.7
GO Bond	Note 7	64	78.8	142.8
Road Capital Revenue Source Total		980.3	1,134.90	2,115.20
Non-motorized Funds (10% of AMATS Allocation)	Note 8	42.7	41.7	84.4
Transportation Alternative Program (AMATS)	Note 9	13.6	12.4	26
MOA Capital (Bonds to Bike/Ped MTP Projects)	Note 10	101.4	62.2	163.6
State Legislative Grants - Non-Motorized	Note 11	10.9	18.6	29.5
Bike/Ped/Trails Capital Revenue Source Total		168.6	134.9	303.5
MOA Local Funds for Transit Capital	Note 12	0	0	0
General Obligation Bond Proceeds for Transit Capital	Note 13	2.4	2.3	4.7
State General Revenue for Transit Capital	Note 14	0.5	0.6	1.1
FTA Urbanized Area (UAP) program (5307)	Note 15	13.3	13	26.3
FTA Capital Program Funds (5309)	Note 16	7.1	6.9	14
MAP-21/FAST Bus & Bus Facilities Formula (5339)	Note 17	5.8	2.5	8.3
AMATS CAMQ Funding for Transit	Note 18	47.3	41.7	89
Transit Capital Revenue Source Total		76.4	67	143.4
Railroad track, Facilities, and Infrastructure	Note 19	29.1	21	50.1
Railroad Capital Revenue Total		29.1	21	50.1
Estimated Total Sources of Funding		1,254.40	1,357.80	2,612.20

*Notes 1 through 19 are provided in Appendix E. **Revenues include match amounts as required.

Operations and Maintenance

Roads & Non-Motorized

Adequate funding of roadway O&M functions is essential to ensure that the road system continues to function well. The ability and willingness to pay the additional cost of maintaining an expanded system should be resolved before a commitment to build more infrastructure is made. The O&M functions include activities such as signing, marking, lighting, street sweeping, traffic signal system operation, snow clearing, sanding, pothole repair, landscaping, and sidewalk maintenance.

Estimated maintenance costs for non-motorized facilities adjacent to roadways are incorporated into the roadway O&M. The MOA Parks and Recreation Department estimated cost to maintain a trail that is not adjacent to a roadway at \$2,600 per mile. As part of this MTP, 12.25

additional miles of trails, not adjacent to roadways are anticipated to be built at an additional cost of about \$31,850 per year by the year 2040. This additional cost is expected to be absorbed as part of the annual budget for the MOA Parks and Recreation Department over time.

The O&M costs for new roadway projects recommended in this MTP are based on the current cost per lane mile times the new road lane miles added to the system as a result of implementation of the roadway projects.

DOT&PF and MOA jointly share the responsibility for maintaining roadways in the Anchorage Bowl. For the most part, the MOA maintains municipality-owned roads and the DOT&PF maintains state-owned roads. However, in cases where efficiencies can be achieved, the maintenance responsibilities have been shifted through a Maintenance Memorandum of Agreement.

The DOT&PF contracts with the MOA for certain O&M functions. As a result, the additional lane miles are further split between summer and winter maintenance responsibilities.

Assumptions for the O&M costs include the following:

- Conversions of four-lane roads to three-lane roads decrease the maintenance cost by one lane.
- There is no difference between the maintenance costs based on roadway classification. In other words, lane mile costs for freeways are the same as those for arterials.

The DOT&PF and MOA spent almost \$67.6 million in 2018 for O&M of the public road system in the AMATS planning area. See Table 6-4 for the Short and Long Term periods. Based on the current O&M budgets, the average cost per lane mile are

\$5,400 on DOT&PF facilities, \$16,900 within ARDSA, and \$7,700 within Chugiak Birchwood Eagle River Rural Road Service Areas (CBERRRSA). The cost to maintain a separated path or walkway adjacent to the roadway is included in the amounts. Although these amounts differ by responsible organization, it is important to note that the services provided also differ. For example, ARDSA includes the expensive costs of increased time spent by crews clearing and hauling snow in residential streets.

New roads and lanes to be built as a part of the MTP implementation will add maintenance cost of about \$500,000 per year by 2040. During the 2018-2040 MTP planning period, O&M costs for the road system are project to be \$2.204 billion.

In some cases, the recommended MTP projects may result in a net cost savings for maintenance, especially where

improvements to the existing substandard roadbed and drainage reduce the need to repair the roadway surface.

It is assumed that DOT&PF and MOA will continue the current level of service for maintaining the existing system and additional lane miles added as a part of the MTP projects.

Table 6-4 O&M Road Costs (Revenue and Expenses in \$ Millions)

O&M EXPENSES	SHORT TERM (2018-2030) TOTAL	LONG TERM (2031-2040) TOTAL	TOTAL
DOT&PF O&M	244.1	263.1	507.2
DOT&PF Pavement Replacement	350	338.5	688.5
AMATS Pavement Replacement	55.9	43	98.9
MOA ARDSA	314	306.3	620.3
MOA CBERRRSA	45.2	44.1	89.3
MOA Pavement Replacement	125.4	74.5	199.9
Estimated Total Expenses	1,134.60	1,069.50	2,204.10
REVENUE ESTIMATES			
AMATS Pavement Replacement	55.9	43	98.9
DOT&PF Pavement Replacement	350	338.5	688.5
MOA Road Capital (Road Bonds to L RTP Surface Rehabilitation Projects)	125.4	74.5	199.9
Alaska Legislative Capital Program	28.2	48.1	76.3
DOT&PF O&M Budget	141.2	138.6	279.8
Traffic Signal Management	25.6	3	50.6
MS4 Permit Compliance	15.5	14.2	29.7
Deferred Maintenance	33.6	37.2	70.8
MOA ARDSA O&M Budget	314	306.3	620.3
MOA CBERRRSA O&M Budget	45.2	44.1	89.3
Estimated Total Sources of Funding	1,134.60	1,069.50	2,204.10

Assumptions: DOT&PF and MOA will continue to maintain the existing system and additional land miles added as part of the MTP to the current level of service. The system will be maintained at the level of funding available. 2.1% growth in both revenue and expenses for the O&M budgets.



Public Transportation

This 2040 MTP maintains the existing public transportation services for People Mover, AnchorRIDES, and RideShare.

The Municipality of Anchorage Public Transportation Department (PTD) redesigned and implemented a new bus system in October of 2017. Because the entire system was implemented at once, the public has not yet weighed in on future service expansion ideas. This process is underway now. With extensive public engagement and community dialogue, the PTD is currently developing a new Transit On the Move Transit Plan that will prioritize future investments when additional funding is available. Based on historical revenue, economic climate, available funding sources, and political discourse, no additional operating funding is forecasted between now and 2040. Once the PTD has adopted the new Transit On the Move Transit Plan

(developed with public input) and future revenue is projected to increase, future projects can be included in the 2040 MTP. In 2020, a new bus route was added.

To maintain the current level of service, the required peak-period fleet is 45 buses. The estimated annual O&M costs are estimated to be \$32.2 million in the Short Term and \$40.9 million in the Long Term. Table 6-14 shows the annual funding and expenditures for the O&M of the public transportation system in Short and Long Term periods.

The AnchorRIDES fleet will remain at 54 vehicles. With increased emphasis on coordinated human services transportation from federal and state funding sources, most of the increase in O&M costs will be provided through other sources, similar to the current Medicaid funding for many AnchorRIDES trips.

Without additional funding, the RideShare

carpool program is not expected to increase. The majority of the O&M costs for the program are from rider fees; however, FHWA CMAQ funds will be used to provide funding for project overhead.

The operating budget for the public transportation system is funded by multiple sources; local property tax dollars; passenger fares; grants from the FTA and FHWA; advertising revenues; and other miscellaneous revenues.

The State of Alaska, which occasionally provides funding for small capital projects, had not provided operating funding for public transportation until the 2011 legislative session, when \$1.0 million statewide was approved for a 50/50 matching to cover capital and operations costs. In 2019, that funding was eliminated. For the 2040 MTP, it is assumed that there would be no state support for public transportation.

Funding for the expanded operations of the public transportation system will require increased MOA general fund allocations or new sources. Funding from property taxes

depends on the willingness of the Municipal Assembly and the MOA Administration to allocate money for this purpose and on support of the general public. Many other

public transportation systems receive allocations from additional funding sources, such as a percentage of sales tax, gasoline tax, or vehicle registration tax.

Table 6-5 O&M Public Transportation Costs (Revenues and Expenses in \$ Millions)

O&M EXPENSES	SHORT TERM (2018-2030) TOTAL	LONG TERM (2031-2040) TOTAL	TOTAL
Public Transportation O&M Costs	418.1	408.8	826.9
Estimated Total Expenses	418.1	408.8	826.9
REVENUE ESTIMATES			
MOA Local Funds	261.4	255.9	517.3
General Obligation Bond Proceeds	0	0	0
State General Revenue	1.2	1.4	2.6
FTA Metropolitan Planning (5303)	4.1	4.1	8.2
FTA Urbanized Area (UAP) program (5307)	43	41.9	84.9
FTA Special Needs/ADA (5310)	1.2	1	2.2
Other USDOT Grants	18	17.6	35.6
Passenger Fares	84.6	82.4	167
Facility Rental, Bond Premiums, Property Sales	0.8	0.8	1.6
Advertising Revenues	3.5	3.5	7
Other Directly Generated Funds	0.2	0.3	0.5
Estimated Total Sources of Funding	418.1	408.8	826.9

Assumption: The system will be maintained at the level of funding available. 2.1% growth in both revenue and expenses for the O&M budgets.



Conclusion

Ongoing costs to operate and maintain the transportation system are borne by the MOA and the State of Alaska from annual operating budgets. Transportation system infrastructure development improvements, rehabilitation, and preservation are costly endeavors. The recommended transportation plan outlined in Chapter 6 will cost approximately \$2.6 billion for capital items and \$3.0 billion for O&M items.

As indicated by the financial constraint analysis, AMATS estimates there will be sufficient revenues to cover project implementation and maintenance costs to the year 2040.