Overview of Local Active Transportation Financing

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Topics

• Why do we need local active transportation funding?

• What are key considerations in working on active transportation funding?

• What are funding mechanisms for local active transportation funding?

• How does passing an active transportation financing policy occur in real life?
Why do we need local active transportation funding?
We need money!

• Today’s roadway infrastructure is crumbling & much of highway system is nearing end of life
• We’ve been building for cars rather than people for decades
• We chronically underfund transportation & we are losing ground.
  • Gas tax has not kept up with inflation
  • Higher fuel efficiency/alternative fuel cars
Underfunding active transportation is deadly – and inequitable.

- 35% increase in walking deaths in last decade
- Underinvestment & dangerous investment in communities of color yields more collisions & fatalities
Transportation funding:

- Federal: Key source, but <25% of trans funding
- Local level: ~35-40% of transportation funding

Active transportation is a key investment:

- inexpensive compared to motor vehicle infrastructure
- Great return on investment
What are key considerations in working on active transportation financing?
Key Considerations

• Funding levels are high enough to address significant projects
• Long term, rather than one time or stop gap
• Ongoing community engagement is built into the process from start to finish
• Funding is available for both street infrastructure projects & also education and encouragement programs
• Prioritized for projects in high need areas (look at data around injuries & fatalities, health indicators, rates of walking for children & adults, historic levels of investment, etc.)
• Funding avoids negative incentives or unintended consequences, esp. for low income communities & communities of color.
Local Mechanisms for Funding Active Transportation
What types of local mechanisms are we talking about?

• Primarily new funds
• But don’t forget the glory of alternative ways to direct money toward active transportation
Key Issue!
State Authorization for Local Taxation, Fines, or Other Fund Raising

- Another key thing that may require state action is to authorize certain types of local actions
- Local governments are merely arms of the state
- In some states, fines and local taxes long authorized
- In others, require specific action to okay
• A bond is basically a loan
• Usually general obligation bonds, not revenue bonds
• May create a longer term source of funding – often 10 to 20 years.
• Common to see used for transportation & active transportation
• Bonds funding active transportation: Denver, Chicago, Dallas, Durham, Nashville, SF
• ½ cent sales taxes for transportation are common
• Many such taxes around the country create significant funding for Safe Routes to School and active transportation
• 29 states allow localities to pass local sales taxes, with 18 requiring voter approval

• Hillsborough, FL: 1 cent sales tax for 30 years; $276 million for sidewalks, transit, etc.
• Tulsa, OK: 15 year sales tax for transit
Property Taxes

• Tax based upon value of property, used to provide essential services—including active transportation seems sensible
• Walking & biking infrastructure contributes to property values
• Washington County, OR ($44 mil/year for sidewalks & roads)
• Snohomish County, WA ($1 mil/year for paths, sidewalks and crosswalks near schools)
  • About $5/year for $250,000 home
Traffic Fines & Fees

• **Approaches**: Doubled fines for speeding or moving violations in school zones or other sensitive areas; red light cameras; speed enforcement cameras
• **Pros**: Can generate significant funds (e.g. Seattle’s Safe Routes to School fund is getting $5-$13 million/year)
• **Cons**: Traffic fines are problematic – not adjusted for income (unlike many other countries) & can encourage overpolicing & tickets instead of fixes
Ridehailing & Shared Mobility Fees

• Ridehailing fees are emerging across the country, going into general funds, education, & transportation
  
  • Chicago: 15-cent surcharge per ridehailing trip going to transit, generated around $16 mil in 2018

• Note: Because ridehailing is increasing congestion & depressing transit ridership, fees may not even be covering costs imposed by the mode

• Other shared mobility (bikeshare & scooters): Fees emerging based on rides, use of right of way, etc.
  
  • Portland, Santa Monica, & Minneapolis
Business/Neighborhood Improvement Districts: self imposed levies to fund area wide improvements

Tax Increment Financing (TIF): Loan based on anticipation of increased future tax revenue to finance current improvements in an area

Both of these generate funding for specific districts/neighborhoods

TIFs can be controversial
Donations & Fundraising

• Adopt-a-Path and naming programs
• Grants, donor campaigns, crowdfunding, events
• Generally smaller amounts & discrete projects or needs (e.g. Safe Routes to School programs)
Other Potential Sources of Local Funds

- Fuel/VMT taxes: very imp for transportation generally; often problematic for active transportation but possible (e.g. Coquille OR)
- Transportation utility fees (e.g. Corvallis, OR); vehicle impact mitigation fee
- Local income taxes
- Value capture
- Public private partnerships (very common for transit)
- Advertising or naming rights: ads on buses, transit cars, bikeshare, trails