

Funding Walking & Biking Improvements

February 2016

Once a community has decided to improve biking and walking options, it needs the resources to do so. This handout lists several options for funding transportation improvements. It does not imply endorsement, is not an exhaustive list, and programs evolve over time.



Local Funding

Most Common Sources

System Development Charges (SDCs)/Transportation Impact Fees

SDCs are a one-time fee on new developments (and redevelopment) to recover some of the costs from the impact of those developments (Oregon Revised Statutes 223). Transportation SDCs can be used for both on- and off-street facilities. Cities often use the Institute of Transportation Engineers *Trip Generation Manual* in calculating fees. The League of Oregon Cities surveyed cities in 2013. It found 46% of cities surveyed had transportation SDCs, varying from \$300 to \$6,665 for a sample single-family home and from \$4,575 to \$217,200 for a sample office building.

http://www.orcities.org/Portals/17/Premium/SDC_Survey_Report_2013.pdf

Local Improvement Districts (LIDs)

LIDs are used by cities or private property owners to fund and construct local projects such as streets, bike infrastructure, sidewalks, and stormwater management features (ORS 223). Using the LID process, area property owners share the cost of transportation improvements. LIDs have recently been used to install new sidewalks in Baker City and Portland, as well as bicycle facilities in Ashland. An example of a LID process:

<http://bendoregon.gov/modules/showdocument.aspx?documentid=6067>

Funding Options

Local

- System Development Charges
- Local Improvement District
- Urban Renewal Area/TIF
- General obligation bonds
- Local gas tax
- Transportation Utility Fee
- General funds
- Vehicle registration fee
- Hotel/motel taxes
- Dedicated property tax
- Transportation Management Assn
- Revenue bonds
- Income, payroll, or employer tax
- Traffic violation revenue
- Parking revenue
- Employee-based parking tax
- Other/creative

State

- Statewide Transportation Improvement Program
- Connect Oregon
- State Transportation Infrastructure Bank
- Highway Trust Fund
- Transportation & Growth Mgmt
- Oregon Parks/Rec Local Grants

Federal

- Transportation Alternatives Program
- Surface Transportation Program
- Congestion Mitigation Air Quality
- Highway Safety Improvement Program
- State/Metro Planning
- Federal Lands Access Program
- Federal Lands Transportation Program
- Section 402-Safety Grants
- Federal Transit Capital Funds
- Federal Transit Associated Transit Improvement
- TIGER grants
- Recreational Trails Program
- Ntl Hwy Performance Program
- Centers for Disease Control funds
- US Dept of Agriculture funds
- Economic Development Administration funds
- HUD grants

Private

- Foundations
- Corporations

Salem and Portland have used Urban Renewal Area funds for transportation improvements.

Urban Renewal Areas (URAs)/Tax Increment Financing (TIF)

URAs are used to improve poorly or under-developed areas (ORS 457). A portion of property tax revenues from properties in the URA is earmarked to financing designated improvements within the urban renewal district. URAs have been used in Portland and Salem for transportation improvements. One example of using a URA for a sidewalk: <http://www.cityofsalem.net/Departments/UrbanDevelopment/UrbanRenewalAreas/Pages/default.aspx>

General Obligation Bonds

General obligation bonds (ORS 287A) are a traditional source of financing capital projects including municipal roads; the bonds must be voter approved. Bonds can only be issued for investments with a life expectancy of more than one year, and are secured by the full-faith-and credit of the issuing municipality. A recent example of bonding for transportation improvements is Eugene's 2012 property tax general obligation bond, which dedicates 6% of its revenues to walking and biking projects: <http://www.eugene-or.gov/gobonds>

Local Gas Taxes

Two counties (Multnomah and Washington) and 22 cities levy local gas taxes, ranging from 1 cent/gallon to 5 cents/gallon. Troutdale just passed one. Fourteen of these cities have their local gas tax administered by ODOT. Coquille specifically authorizes using funds for sidewalks. The League of Oregon Cities compiled a helpful report in 2007 (<http://www.orcities.org/Portals/17/Premium/GasTaxReport2011.pdf>) and links to current ordinances: <http://www.orcities.org/MemberServices/AZIndex/tabid/810/itemid/180/>

Transportation Utility Fees (TUFs)

TUFs (also known as Street Utility, Road User, or Street Maintenance Fees) are monthly fees collected from residences and businesses via their water/sewer bills. Fees are assessed based on the expected number of trips for each land use. Funds are usually used primarily for road maintenance and sidewalks, but can cover capital improvements. At least nineteen Oregon cities have TUFs. The Corvallis sidewalk maintenance fund is funded through fees on utility account holders (80 cents/month for most residential users). These funds can add up; roughly half of Medford's Public Works operations budget comes from a street utility fee. The League of Oregon Cities report: <http://www.apwa-wa.org/uploads/forums/OregonCities2007TUFReport.pdf>

General funds

Many Oregon cities use small amounts of their general funds for transportation maintenance or improvements. City general funds are the most flexible funds.

Less Common Sources

Vehicle Registration Fees

Counties can levy a vehicle registration fee, in addition to state registration fees. Multnomah County levies Oregon's only annual vehicle registration fee at \$19/year (Lane County voters rejected a \$35/year fee in May 2015). Washington County has considered a \$30-\$43 annual vehicle registration fee.

Hotel/Motel Taxes

Roseburg's hotel/motel tax (transient lodging tax, ORS 320) funds tourism, economic development, and sidewalk improvement programs. Under state law, 70% of revenues from such taxes must fund programs boosting tourism. Many other jurisdictions have



The Corvallis sidewalk maintenance fund is funded through fees on utility account holders (80 cents/month for most residential users).

Roseburg has used hotel/motel tax revenue for sidewalk improvements.

hotel/motel taxes and could use a portion of the revenue for transportation investments.

Dedicated Property Taxes

Washington County has a dedicated property tax to fund its Major Streets Transportation Improvement Program. Since 1986, the Program has funded \$555 million of new roads, sidewalks, bridges, and bikeways. Voters approved the funding source multiple times. Today, the program raises an average of \$35 million per year. Washington County also has a property tax to support its Urban Road Maintenance District, levying 25 cents per \$1000 assessed value; the program raises about \$3.3 million/year for local roadway maintenance.

Washington County voters have approved local property taxes for street improvements multiple times.

Transportation Management Associations (TMAs)

TMAs are non-profit organizations providing transportation services in a particular area, such as a commercial district or neighborhood. They are generally public-private partnerships, consisting of area businesses with local government support. Some have been formed to help large businesses comply with Oregon's Employee Commute Options Rule (Oregon Administrative Rule 340-242). TMAs often support walking and biking encouragement efforts. Washington County's Westside TMA, Go Lloyd (in Portland's Lloyd District), and Swan Island TMA (Portland) are examples of TMAs investing in biking and walking.

Revenue Bonds

Revenue bonds issued under the Oregon Uniform Revenue Bond Act (ORS 287A) do not require voter approval. These bonds are usually reimbursed from a dedicated revenue source – user or system charges, grants, or excise taxes or other municipal revenues.

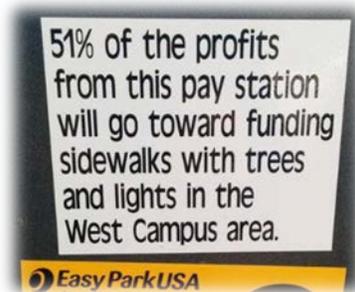
Other Options

Local municipalities in Oregon have other options as well. Local options used in other jurisdictions include **income, payroll, and employer taxes**. While Portland uses an employer payroll tax to fund transit, we are unaware of any municipalities using these taxes for walking and biking improvements. Cities could also dedicate part of **traffic violation revenue, parking revenue, or an employee-based parking tax** to transportation choices.

More creative approaches that haven't been widely used in Oregon include **value capture**, where some of the value public investments provide to private property is recaptured, **vehicle impact mitigation fees**, a fee collected to mitigate the negative impacts caused by vehicles, **land value taxation**, where property taxes are levied on the underlying land, rather than the improvements on it, **congestion or high occupancy/toll lane fees**, where drivers pay to drive certain routes at certain times, and **sales taxes**, either general taxes or taxes on specific transportation-related goods.

Local Funds

Transportation touches all parts of our lives; public destinations and services aren't worth much if we cannot safely get to them. Local governments looking for walking and bicycling improvement funds can explore using general transportation revenue, parks and recreation funding (especially for multi-use trails), school transportation department funds, public school bonds, public works budgets, county health department funding, and county traffic safety citation revenue, among other sources. Regional Metropolitan Planning Organizations can also be asked to dedicate some of their **flexible federal funds** or safety monies for walking and biking improvements.



Parking benefit districts are used for local improvements in McMinnville, Eugene, Hood River, Salem and Portland.

State Funding

Statewide Transportation Improvement Program (STIP)

The Oregon Department of Transportation maintains its regular STIP, and offers two pots of money, Fix-It and Enhance. Proposals can be made to the state via your local region offices. Proposals must already be in a local adopted Transportation System Plan. Learn more: <http://www.oregon.gov/ODOT/TD/STIP/> and find contact info for your ODOT region: <http://www.oregon.gov/ODOT/TD/STIP/Pages/WhatsChanged.aspx>

Connect Oregon

Oregon uses lottery and video poker revenue to fund *ConnectOregon*. The 2015-17 state budget includes \$42 million for marine, rail, air, and bicycle and pedestrian projects outside of the public road right-of-way. A few bicycle and pedestrian projects are funded under the program. <http://www.oregon.gov/odot/td/tp/pages/connector.aspx>

State Transportation Infrastructure Bank

Oregon offers a revolving loan fund for certain transportation improvements, including bicycle and pedestrian infrastructure. Repayment must be within five years of project completion and be completed within 30 years or at the end of the useful life of a project. Loan sizes vary from \$250,000 to \$10,000,000. <http://www.oregon.gov/odot/cs/fs/pages/otib.aspx>



Pedbikeimages.org – Adam Darwin

State Highway Trust Fund

When roads are constructed or reconstructed, Oregon law requires walkways and bikeways be provided. Regardless of who is spending the money, all agencies receiving State Highway Funds are required to spend at least 1% of those funds on bicycle and/or pedestrian infrastructure improvements (ORS 366.514). Currently, cities and counties receive a share of the state's trust funds, which can be used for walking and biking projects along roads open to motor vehicles.

Transportation and Growth Management Funds

Jointly run by the Department of Land Conservation and Development and ODOT, the Transportation and Growth Management (TGM) program offers grants for improving transportation system plans and planning efforts that integrate land use and transportation. TGM also offers Quick Response grants when pending development will impact the city's goals, Code Assistance to help with specific code questions, and Transportation System Plan (TSP) Assessments to look at city TSPs. <http://www.oregon.gov/lcd/tgm/pages/index.aspx>

Oregon Parks and Recreation Local Grants

The Oregon Parks and Recreation Department grants over \$4 million/year to communities for outdoor recreation projects, including recreational trails. Funds come from state lottery funds. <http://www.oregon.gov/oprd/GRANTS/Pages/local.aspx>

What about Safe Routes to School?

This federal program no longer exists as a stand-alone program; projects may be eligible under other programs. ODOT funds some non-infrastructure safe routes projects through the Traffic Safety Division.

Federal Funding

CAUTION: This handout and many of the links reflect MAP-21, the previous Federal transportation bill. Many of these programs have changed. Contact your regional ODOT representative for details. Summary: <http://www.tooledesign.com/resources/news/fast-summary-fast-act>

The **Fixing America's Surface Transportation Act (FAST Act)** funds federal transportation programs. Most are administered through ODOT; many are rolled into the STIP process. More: <http://t4america.org/wp-content/uploads/2012/11/MAP-21-Handbook-Web.pdf>

A very helpful spreadsheet from the Federal Highway Administration (FHWA): http://www.fhwa.dot.gov/environment/bicycle_pedestrian/funding/funding_opportunities.cfm

Most Common Sources

Transportation Alternatives Program (TAP)

Oregon administers federal Transportation Alternatives funds, giving grants to local governments, as part of the state's Enhance pot of money in the STIP process. Grants require a small local match, and vary from \$250,000 to \$1.4 million. Metro, Eugene-Springfield, and Salem-Keizer MPOs receive a direct allotment of these dollars. TAP funds are 2% of the funds from the Highway Trust Fund, unless a state decides otherwise. Bicycle and pedestrian projects are a main recipient of the funds. <http://www.oregon.gov/ODOT/TD/STIP/Pages/WhatsChanged.aspx>
http://www.fhwa.dot.gov/environment/transportation_alternatives/

Surface Transportation Program (STP)

STP funds are very flexible, and STP is the second-largest federal pot of money in MAP-21. Funds can be used for projects such as hazard elimination, bicycle and pedestrian infrastructure, planning, and traffic monitoring. They are part of ODOT's STIP process. <http://www.fhwa.dot.gov/map21/guidance/guidestprev.cfm>

Congestion Mitigation and Air Quality (CMAQ) program.

The CMAQ program is jointly administered by the FHWA and FTA, with projects selected by local jurisdictions in high pollution areas. Bike/pedestrian projects make up a significant portion of the funded projects, which must focus on air quality improvement. http://www.fhwa.dot.gov/environment/air_quality/cmaq/

Highway Safety Improvement Program (HSIP)

The HSIP program focuses on reducing traffic fatalities and injuries; applications must focus on a strategy, activity or project consistent with a State Strategic Highway Safety Plan, and correct or improve a hazardous road location or feature, or address a highway safety problem. Infrastructure and non-infrastructure projects are eligible. Projects require a 10% local match. They are administered through ODOT's STIP. <http://safety.fhwa.dot.gov/hsip/>

State or Metropolitan Planning

The FHWA offers some funds earmarked just for planning purposes, including bicycle and pedestrian plans. <http://www.fhwa.dot.gov/planning/>

Federal Lands Access Program (FLAP)/Federal Lands Transportation Program (FLTP)

The FLAP/FLTP program works to improve transportation facilities that provide access to, are adjacent to, or are located within Federal and Tribal lands, with an emphasis on



high-use recreation sites. <http://flh.fhwa.dot.gov/programs/flap/or> and <http://flh.fhwa.dot.gov/>

Section 402 State and Community Highway Safety Grant Program

A jointly run program of National Highway Traffic Safety Administration, the FHWA, and State Highway Safety Offices, Section 402 funds can be used for safety materials, training, and police patrols. <http://www.ghsa.org/html/stateinfo/programs/402.html>

Federal Transit Administration (FTA) Capital Funds

FTA funds can fund many different types of pedestrian and bicycle improvements, from access to transit to curb cuts to transit-oriented development efforts. http://www.fta.dot.gov/13747_14400.html

FTA Associated Transit Improvements funds

The FTA has a 1% set-aside from its grant programs for “associated transit improvements” for projects helping people get to and use transit. http://www.fta.dot.gov/13747_14399.html

TIGER grants

The Transportation Investment Generating Economic Recovery (TIGER) discretionary grant program is a very competitive pot of funds; a small percentage of funded projects have been bike/pedestrian related. Applications must highlight project benefits to safety, economic competitiveness, state of good repair, livability and environmental sustainability goals. <http://www.dot.gov/tiger>

Recreational Trails Program (RTP)

The RTP is a set-aside under the Transportation Alternatives fund for both motorized and non-motorized trail projects. ODOT currently sends Oregon’s RTP funds to the Oregon Parks and Recreation Department for administration.

http://www.fhwa.dot.gov/environment/recreational_trails/
<http://www.oregon.gov/oprd/grants/pages/trails.aspx>

National Highway Performance Program (NHPP) funds

NHPP funds can be used for a variety of biking and walking improvements, from bike lanes to curb cuts to bike/pedestrian overpasses. The NHPP is the largest pot of money under MAP-21. <http://www.fhwa.dot.gov/map21/guidance/guidenhpp.cfm>

Less Traditional Sources

Depending on the project a community is looking to fund, other Federal departments may have appropriate programs. Explore programs for energy conservation and pollution reduction activities, nonmotorized facilities (trails and streetscapes), walk/bike encouragement projects, school trip pedestrian safety, smart growth and urban redevelopment activities, and mobility services for transportation disadvantaged (low income, people with disabilities, children, elderly, etc.) A few examples:

Centers for Disease Control and Prevention (CDC) Community Transformation Grants

The CDC offers grants to support active living, including promoting walking and biking. <http://www.cdc.gov/nccdphp/dch/programs/communitytransformation/funds/index.htm>



CDC Health Impact Assessment Grants

The CDC has provided funding for state and local governments to help analyze potential health effects of plans, projects, or policies before they are built or implemented. An HIA can provide recommendations to increase positive health outcomes and minimize adverse health outcomes. http://www.cdc.gov/healthyplaces/HIA_funding.htm

U.S. Department of Agriculture Rural Business Opportunity Grants (RBOG)

The RBOG program promotes sustainable economic development in rural communities with exceptional needs. Rural transportation improvements are eligible. Grants run from \$10,000 to \$500,000. <http://www.rd.usda.gov/programs-services/rural-business-development-grants>

U.S. Department of Agriculture Community Facilities Direct Loan and Grant Program

This program provides up to \$30,000 in funding for essential community facilities in rural areas, including street improvements. It requires at least a 25% match, which can be in-kind. <http://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program/or>

Economic Development Administration Public Works Program

The US Economic Development Administration has a Public Works Program to help distressed communities improve their infrastructure to increase or retain long-term jobs. It is not specifically designed for transportation projects. <http://www.eda.gov/funding-opportunities/>

Housing and Urban Development Community Development Block Grants (CDBG)

While mainly focused on housing, HUD offers CDBG grants for projects that help low and moderate income people while developing the community. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

Private Contributions

Certain walking and biking improvements (sidewalk installation/repairs, etc.) can be required as conditions of approval of land use development proposals, or asked for as a negotiated mitigation agreement, or upon property transfer.

At times private businesses invest in transportation improvements, usually in exchange for advertising. For example, Wal-Mart funded bike lanes in Arkansas, Auto Zone funded bike lanes in Memphis, and Seattle Children's Hospital funded neighborhood greenways improvements in Seattle. These are usually related to corporate headquarters or to a businesses' mission. Private corporations also often fund bike share systems or transit stops, as part of sponsorships, advertisement, or naming rights.

The **Surdna Foundation** supports efforts to boost sustainable transportation networks with grants around \$200,000. The **Kresge Foundation** offers grants for planning or programs (not construction) around \$100,000. The **Robert Wood Johnson Foundation** is interested in the health impacts of active transportation and the built environment. The **Kaiser Permanente Community Fund** at the **Northwest Health Foundation** has supported active transportation. **REI** and **People for Bikes** offer small grants (\$5,000 to \$20,000) for certain bicycle projects, and local community foundations could be approached.



Privately-funded trail connecting Seattle Children's Hospital to a regional trail

Resources

With **local funding** questions, the League of Oregon Cities and Association of Oregon Counties may be your best contacts.

www.orcities.org and aocweb.org

For **state funding**, the contacts who are most important are your ODOT regional representatives

<http://www.oregon.gov/ODOT/TD/STIP/Pages/WhatsChanged.aspx>

ODOT's bicycle and pedestrian program contacts may also be helpful; a list can be found at http://www.oregon.gov/ODOT/HWY/BIKEPED/Pages/contact_us.aspx

Federal funding. A very helpful spreadsheet of what sorts of bicycle and pedestrian projects are eligible for which federal programs.

http://www.fhwa.dot.gov/environment/bicycle_pedestrian/funding/funding_opportunities.cfm

Methods for Financing Transportation Infrastructure (2010), ODOT:

<http://library.state.or.us/repository/2010/201010261316072/index.pdf>

Victoria Transport Policy Institute guide to financing options:

<http://www.vtpi.org/tdm/tdm119.htm>

Financing Mechanisms for Capital Improvements: Interchanges (SB 687), PSU Center for Urban Studies and ODOT Research Station

Oregon Non-Roadway Transportation Funding Options (2012), Report to the Governor

<http://www.oregon.gov/ODOT/COMM/Documents/NonRoadwayFINALREPORT.pdf>

Ped-Bike Information Center

http://www.pedbikeinfo.org/planning/funding_government.cfm

Federal Resources for Sustainable Rural Communities. An overview of resources available for everything from housing to transportation choices.

http://www.sustainablecommunities.gov/sites/sustainablecommunities.gov/files/docs/federal_resources_rural.pdf



For an on-line version of this brochure with live web links, visit

www.oregon.gov/LCD/TGM/Pages/walkbikefunding.aspx

or scan the QR code to the left.

Version 8



The Oregon Transportation and Growth Management Program supports community efforts to expand transportation choices for people.

We are a partnership between the Oregon Department of Land Conservation and Development and the Oregon Department of Transportation.