

US FUNDING MODELS

**FHWA Trust fund from fuel and
other transportation related taxes**

The Medical Mile Project

Election Bonds and referendums

Presented by Frieda Baldwin, Huronia Trails and Greenways

USA Federal Transportation FUNDS Benefit Trails



U.S. Department of Transportation
Federal Highway Administration



Photo Courtesy of Arkansas Dept of Parks & Tourism



Who is FHWA?

- The Federal Highway Administration (FHWA), part of the US Department of Transportation, provides:
- expertise, resources, and information to improve the nation's highway system and its intermodal connections.
- financial assistance to the States to construct and improve the National Highway System, and trails.
- other roads, bridges, access to and within national forests and parks, Indian reservations, and other public lands by preparing plans, letting contracts, supervising construction, and inspecting bridges.
- and conducts and manages a comprehensive research, development, and technology program.

Source of FHWA funding

- The Federal Highway Trust Fund revenue comes from the Federal **motor fuel excise tax, a tire tax, truck and trailer retail sales excise tax, and heavy vehicle use tax.**
- Revenue from these taxes goes into the Federal Highway Trust Fund.
- The Congress enacts (or reauthorizes) the Federal surface transportation program in the various funding categories.

FHWA Funds for Pedestrian and Bicyclist Projects and Trails

- The Federal Surface Transportation Program is the largest single funding source for shared use paths, trails, and related projects in the United States:
 - \$400 million/year for pedestrian and bicycle related facilities; amount will increase with new Safe Routes to School Program.
 - Recreational trails funding rises from \$60 million in FY 2005 to \$85 million in FY 2009.
- Pedestrian Safety is one of FHWA's "Vital Few" priority areas.

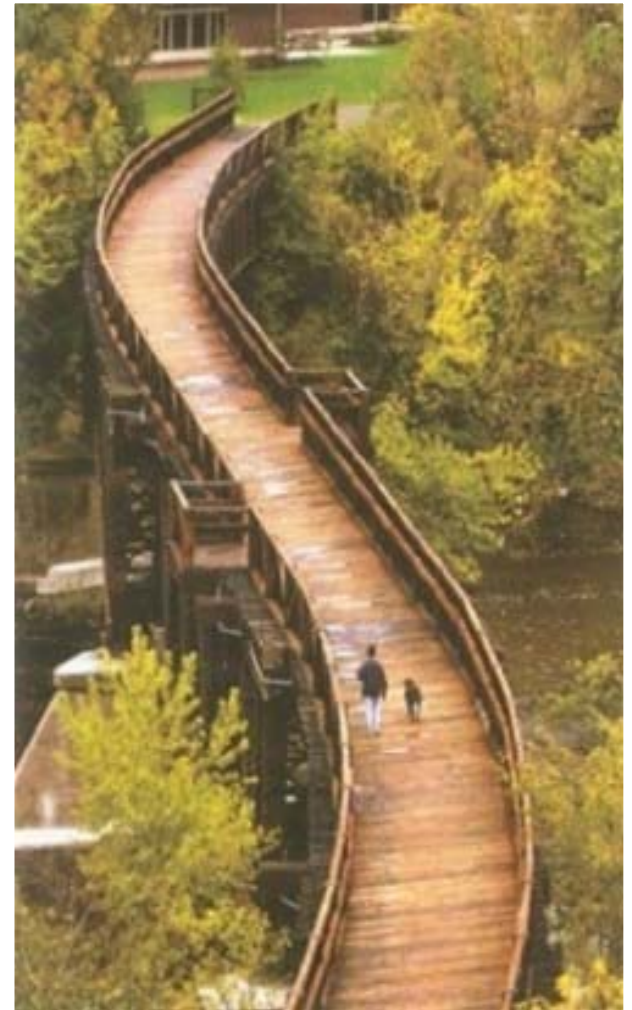
Federal-Aid Highway Program Funds for Trails

- Programs:
 - Surface Transportation Program (STP)
 - Congestion Mitigation & Air Quality Improvement (CMAQ)
 - Highway Safety Improvement Program (HSIP)
 - Safe Routes to School (SRTS)
- Broad range of eligible projects from highway construction to pedestrian and bicycle projects and transportation trails.
- SRTS projects are eligible within about 2 miles of elementary and middle schools, and may include trails.
- CMAQ projects must benefit air quality.

Pedestrian and bicycle projects are eligible for every major Federal-aid funding category.

Transportation Enhancements

- 10% of Surface Transportation Program funds or \$800 million per year (2005-2009)
- 12 eligible categories for projects that relate to surface transportation
- TE activities are intended to mitigate negative environmental impacts and use highway funds for positive community-building projects.



Transportation Enhancement Activities

12 Eligible Categories

- 1) **Pedestrian and bicycle facilities**
- 2) **Pedestrian and bicycle safety and education**
- 3) **Scenic or historic easements and sites**
- 4) **Scenic or historic highway programs**
- 5) **Landscaping and scenic beautification**
- 6) **Historic preservation**
- 7) **Historic transportation buildings, structures, or facilities**
- 8) **Rail-trail conversions**
- 9) **Inventory, control, and removal of outdoor advertising**
- 10) **Archaeological planning and research**
- 11) **Mitigate highway water pollution and wildlife mortality**
- 12) **Transportation museums**

How does TE project funding work?

- Project sponsors apply to their State DOT.
- Project sizes vary in each State: some have minimum and/or maximum amounts.
- Reimbursable cost share program (not up-front except for case-by-case working capital basis)
- In general: 80% Federal share with some flexibility
- See www.fhwa.dot.gov/environment/te and www.enhancements.org

Some TE comments

- **By law, TE projects must *relate to surface transportation*.**
- TE has been attacked for diverting the Highway Trust Fund for non-highway purposes, while nonmotorized users don't pay into the fund. Therefore: **project sponsors must make sure their projects relate to surface transportation.**
- Nothing in Federal law or regulation requires trails to be paved, although TE-funded trail projects must have a firm and stable surface to meet accessibility requirements.
- Project sponsors must include various interest groups in the project development process, such as equestrians and other trail users, historic preservation advocates, etc.
- Some States are using Youth Corps on TE projects.

Recreational Trails Program

- Funds to develop and maintain recreational trails for **all** trail uses.
 - Only FHWA program to **support routine maintenance**
- Rises from \$60 m in FY 2005 to \$85 m in FY 2009.
- Funds distributed by formula to States: see www.fhwa.dot.gov/environment/rectrails/recfunds.htm.
- **Represents a portion of the Federal motor fuel excise tax paid by OHV users.**
- States solicit and select projects for funding.
- States are encouraged to use Youth Corps.
- See www.fhwa.dot.gov/environment/rectrails.

RTP Eligible Projects

- Maintain and restore existing trails (and bridges)
- Develop and rehabilitate trailside and trailhead facilities
- Purchase and lease trail construction and maintenance equipment
- Construct new trails
- Acquire easements or property for trails
- Trail assessments for accessibility and maintenance
- Trail safety and environmental protection education
- State administrative costs



RTP Partnerships

FHWA has worked with:

- National Trails Training Partnership to develop trail training: www.NTTP.net.
- Supported National Trails Day – first Saturday of June
- Sponsored national conferences for trail organizations
- Provided trail publications to the public:
www.fhwa.dot.gov/environment/fspubs/index.htm.
- Developed accessibility guidelines for trails: see
www.access-board.gov/outdoor/outdoor-rec-rpt.htm
and www.fs.fed.us/recreation/programs/accessibility/.
- Supported OHV, Mountain Bike, and Equestrian groups to develop trail design and management manuals.
- Sponsored snowmobile and OHV safety information.

Who can sponsor an RTP project?

- Federal agencies
- Tribal government agencies
- State agencies
- Local agencies: county, city, town, township, borough, school, water/sewer district, etc.
- Nonprofit organizations (many States)
- For profit organizations (a few States)
- Project sponsors are encouraged to use qualified youth conservation or service corps.

How does RTP project funding work?

- Project sponsors apply to their State.
- Project sizes vary in each State: some have minimum and/or maximum amounts.
- Reimbursable cost share program (not up-front except for case-by-case working capital basis)
- In general: **80% Federal share** (sometimes up to 95% incl. other federal sponsors)
 - Flexibilities for Federal agency project sponsors
 - RTP may match / be matched by other Federal funds.

For more information:

- State RTP Administrator contacts: www.fhwa.dot.gov/environment/rectrails/rtpstate.htm.
- State TE Manager contacts: www.enhancements.org.
- National RTP and TE oversight:
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U.S. Department of Transportation
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The Medical Mile Little Rock, Arkansas



Doctor's
Building
Trails

The medical community saw a need

- Cardiologist Rob Lambert had a keen interest in preventing and treating heart and vascular disease, because of the fact that 60% of Arkansas residents are overweight, and physicians can do something about that.
- He founded a partnership with 23 other cardiologists from the Little Rock area, to build the Medical Mile Project and asked the medical community to join in (oral health, diabetic association, nutrition association, cardiovascular taskforce, children's hospital, university medical centres, etc.)
- The success of the campaign was attributed to the fact that they were able to capitalize on the medical community's desire for marketing and community recognition, i.e. no reputable physician wanted to be left out, but wanted to see their name recognized on a plaque along the Medical Mile

Medical Mile fundraising goal and achievement

- The goal was to raise USD\$ 350,000, but they raised USD\$ 630,000
- Applied the Triple Bottom Theory, a model developed by Warren Buffet, as part of his Forum for Corporate Conscience. The Forum teaches corporate executives to not just look at the financial bottom line but to also look at other factors that do influence the bottom line, such as the economy, the environment, and the health of the community.

Steps to a successful fundraising campaign for the Medical Mile

- Identify a trail champion with medical background.
- Offer partnership between community group and medical association
- Individual practitioners will want to donate as they feel honoured and don't want to be left out from the recognition program.
- Identified saleable opportunities or sponsorship levels (i.e. foot for \$60, brick for \$200-499, tree \$500-999, bench for \$5000-9999, kiosk \$25,000+, etc)

An effective tool in guiding the work is the concept of Inspire, Invite, Compete, Create, Thank and Celebrate.

For more info, see www.rivertrail.org

Local referendum or election bond

In several US counties and cities, local bond referendums are held at election time to assess if voters would support a tax increase to benefit trail development or land acquisition.

It's called "bond referendum" as it allows the municipality to take out a loan, which will be paid off using an tax levy.



Photo Courtesy of Arkansas Dept of Parks & Tourism

Seminole County, Fl. referendum

- Residents of Seminole County approved - by a 58% majority - a US \$25 million bond to:
 - construct the Cross Seminole Trail, a 14 mile urban trail
 - complete the 3.7 mile connection from this trail to the Seminole Wekiva Trail, another 14 mile urban trail
 - build a 20 mile network of wilderness trails including a section of the Florida National Scenic Trail (a 1300 mile wilderness path which runs from the Florida panhandle to the Everglades).
- The various trails will connect to schools, parks, shopping and neighbourhoods.
- The urban trails provide citizens with 2 major benefits: a choice of transportation modes that will traverse the entire county and a safe, convenient recreational opportunity.
- The \$25 million consisted in \$20 million for trails and \$5 million for land acquisition. This translated into a tax increase per household of USD \$10 – 12 over 10 years. (It is felt that the taxpayers would still have voted in favour if the tax increase was \$20 over 10 years).

What does it take to pass such a referendum?

- a “Champion” to drive the action
- a political action committee
- a trails advisory committee
- citizen representation/input
- Parks & Rec. staff
- Advertising “Vote YES on the referendum” on signage on the trail
- Speaker’s forums were held in various communities.
- Have good GIS maps, on which information from the public can be added.
- The official Motion by Council read: “Bond referendum election on purchase of natural/environmental lands, completion of trails, greenways and blueways network, construction of trail heads, overpasses and associated facilities and related projects, all being for public purposes.”
- For more info visit www.co.seminole.fl.us/trails/trails_referendum.asp

Other referendums

Sarasota, FL

- USD \$167 million bond referendum for land acquisitions, which translated into a tax increase of \$10/year per \$100,000 assessment value of the property. With the average property value in Sarasota being \$350,000, this works out to approx. \$35/year. The bond referendum was approved for 20 years.
- Properties were bought below market value because of the attractiveness of the program (attractive to sellers because no re-zoning and immediate cash).

City of Scottsdale, Arizona

- 96% of Arizona's residents agree that trails benefit their community and the State. A USD \$130 million bond was approved by a 2/3 vote in 2000 for the acquisition of public lands of which \$2.5 million was set aside for trail development.

City Bike Tax Fund

- Under the City of Colorado's City Bicycle Tax Fund, a \$4 flat fee was charged on every bicycle purchased.
- This generated USD\$335,000, and had to be spent on bicycle projects.
- The tax was approved by voters to fund construction of bikeways, promotion of use of bicycles as transportation and to ensure that funding for bike facilities are consistent with the City's philosophy of "user pay".
- Funding has helped build the Rock Island Trail in the City of Colorado.

Note: a special tax was also applied in Quebec on the purchase of bikes and benefited the Route Verte in Quebec

Metro Austin Trails and Greenways

- raised funds through bond elections (election ballot question to get residents' approval to raise tax for a specific project).
- As a result they built over 100 miles of bike trails, 50 miles of bike/hike trails, all transit buses have been equipped with bike racks and they spent USD \$50 million on greenway and parkland acquisition.
- For more info <http://www.austrails.org>

How about it?

- Stop the envy... and take action
- Contact your local MP, MPP, and municipal representatives
- Demand appropriate legislation and funding for active transportation and sustainable trails!