



Local Funding Strategies For Streetcars and Urban Circulators

RAILVOLUTION 2010



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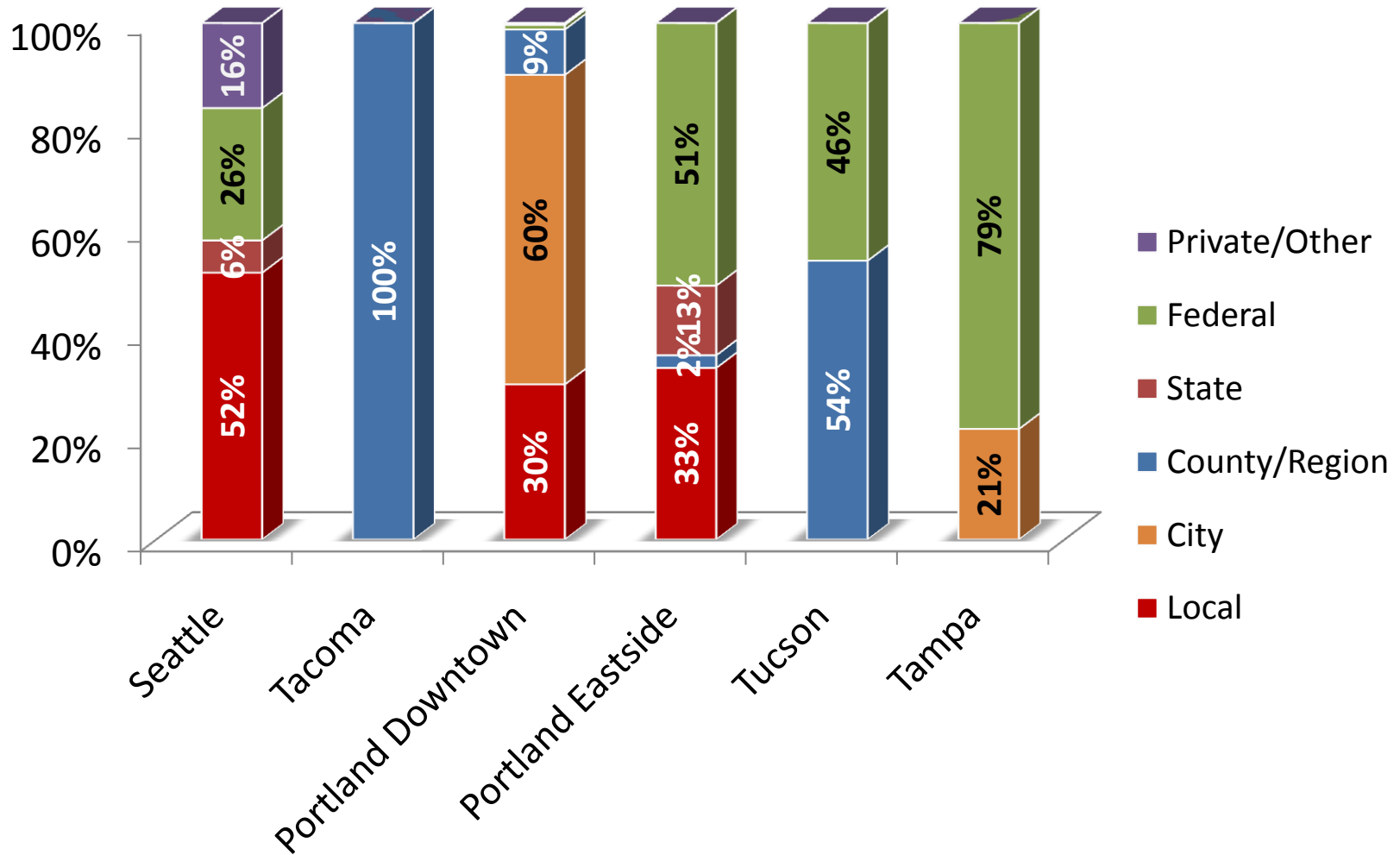
People Places Prosperity

LOCAL FUNDING DISCUSSION

- Important strategies
- Common tools
- Outlook for the future



FUNDING: NO SINGLE ANSWER



FUNDING EVALUATION CRITERIA

- How much is needed?
- Has it been used before?
- Is there political support for it?
- Is there community support for it?
- Who will “own” the process?
- What is the process to implement the tool?
- Does it need to go to a vote?



FUNDING PRINCIPLES

1. Balance

Multiple funding sources that reflect users and beneficiaries.

2. Two to three primary sources

3. Partner with the private sector

4. It's a political process.

That is only sometimes technical.

5. All funding sources are not created equal.

For example, some sources may require more time and impose labor, procurement, environmental requirements.

6. Coordinate with other projects.

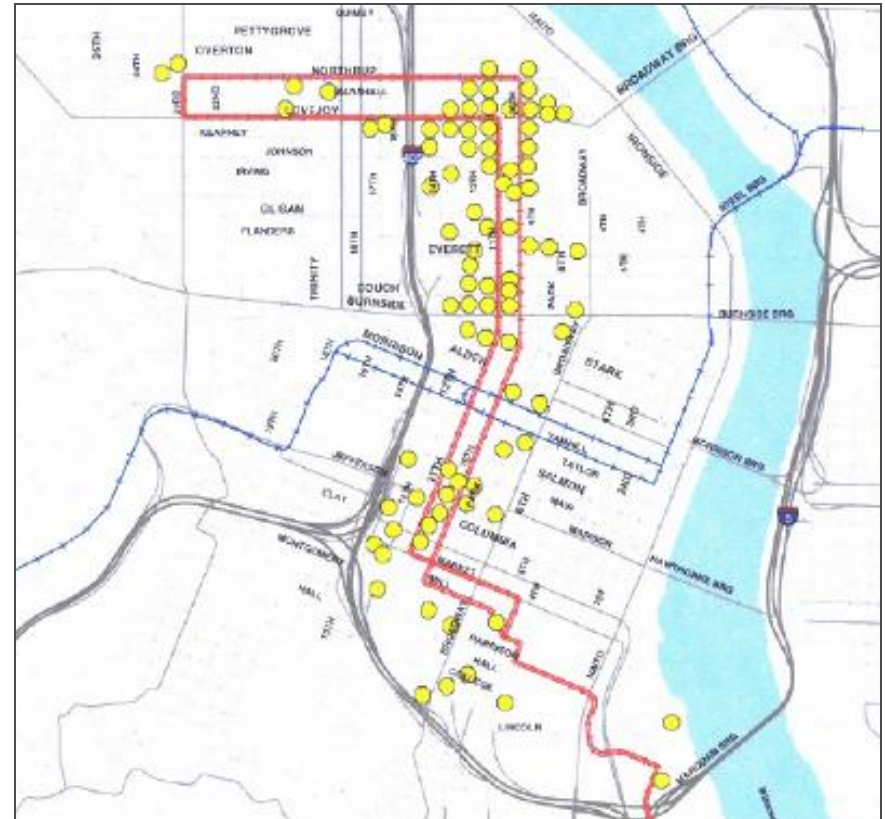
For example, streetscape and boulevard improvements. Look at your CIP.

7. Funding plans are never complete.



LOCAL IMPROVEMENT DISTRICT (LID)

- Property owner initiated
- Paid for by those who will directly benefit
- Flexible assessment
 - Distance
 - Frontage
 - Land use
- Frequently used
- Ensures public-private partnership



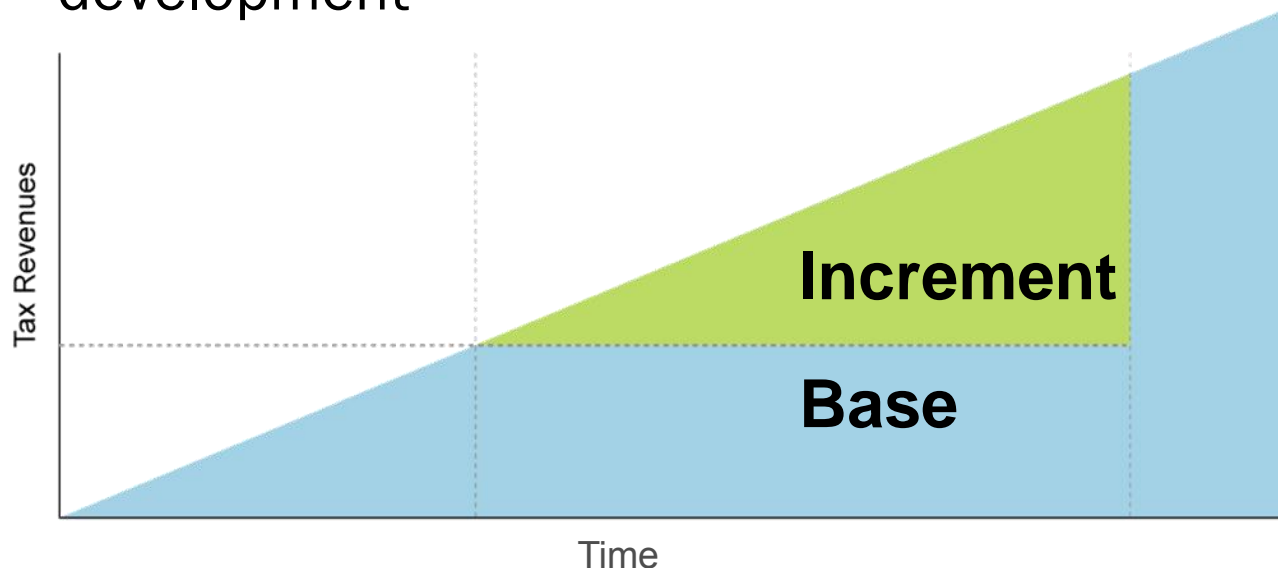
TAX INCREMENT FINANCING (TIF)

Plusses...

- Large potential revenue
- Locally controlled
- Extensively used
- Tied to economic development

But...

- Changing legal & political landscape
- Usually part of a package
- Revenue timing



PARKING

- Meters
- Garages
- Permits

Plusses...

- Large revenue potential
- Easy to implement
- Stable
- Parking and transit:
key components of CBD transportation system

But...

- Often politically unpopular
- Lower potential outside downtowns



LOCAL AND REGIONAL TAXES

- Transportation sales taxes
- Regional transportation bonds
- Toll revenues



Plusses...

- Very large revenue potential
- Relatively stable
- Used before

But...

- Requires vote
- Typically must share with regional projects
- Needs broad regional support

MISC. REGIONAL AND STATE SOURCES

- Regional Transportation Improvement Programs
- Air quality programs
- State DOTs
- State earmarks
- Reprioritize existing funds



CREATIVE LOCAL SOLUTIONS

- Lottery funds
- Naming rights
- Development impact fees
- Sale of land and air rights
- Shared appreciation
- Utility fees
- Vehicle registration fees
- Institutional contributions
- Non-profit/philanthropic

- Be creative!

Plusses...

- Can fill the gaps
- Show local commitment
- Engages broader stakeholder base

But...

- Time consuming to put together
- May be legally untested
- Needs solid organization to coordinate
- Often small funding potential

Issues

- Stability
- Ongoing revenue stream
- Growth over time (inflation)
- Many tools not eligible for O&M

Questions

- Is the streetcar part of the bigger transit system or on its own?
- Who will own and manage the process over time?

COMMON LOCAL O&M SOURCES

Farebox/Tickets

- Daily/hourly tickets
- Annual passes
- Bulk passes

Parking

- Dedicate meter fees
- Raise rates
- Form parking district



COMMON LOCAL O&M SOURCES

Business Improvement Districts

- Business support
- Mix with other BID programs

Existing Transit Operating Funds

- Reduced service
- Shift savings to streetcar
- Blend with overall transit operations



COMMON LOCAL O&M SOURCES

Sponsorships/Advertising

- Naming rights
- Advertising
 - In trains
 - Exterior
 - Station platforms



Other tools

- Endowments
- Event rentals
- Hotel/motel taxes



LOCAL FUNDING OUTLOOK

- Challenging times ahead!
- Local match as important as ever
- Constrained budgets
- Critical public
- Hypercompetitive funding marketplace



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