

APPENDIX C

MAG ATP Funding Sources

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Regional Funding and Assistance

Design Assistance

The MAG Design Assistance Program is designed to stimulate the integration of bicycle and pedestrian facilities into the planning and design of all types of infrastructure and development. Projects that use this program can proceed only up to the preliminary engineering/scoping phase (15% plans). MAG funds these projects entirely, and there is no match required for member agencies. This is a competitive process whereby MAG member agencies apply for projects and receive a ranking and funding accordingly.

Transportation Alternatives and Congestion Mitigation Air Quality.

MAG uses these programs to fund approximately \$26 million of bicycle and pedestrian infrastructure projects every other year. This is a competitive process whereby MAG member agencies apply for projects and receive a ranking and funding accordingly. In many cases, MAG members will first conduct a Design Assistance effort and then follow up with an application for TA/CMAQ funding.

Arterial Life Cycle Program

MAG maintains the Arterial Street Life Cycle Program (ALCP), implementing arterial street projects in the MAG Regional Transportation Plan (RTP) funded by Proposition 400 (1/2-cent sales tax for transportation through 2025). The ALCP provides regional funding to widen existing streets, improve intersections, and construct new arterial segments. Many arterial projects funded through the ALCP are bicycle facilities, and all include pedestrian facilities.

Federal Transit Administration Programs

The MAG region receives annual apportionments of funding from the Federal Transit Administration (FTA), which vary year to year. Under FTA Section 5307, Urbanized Area Formula Program, pedestrian paths located within 0.5 miles of a transit stop or station and bicycle paths located within 3 miles of a transit stop or station are eligible capital projects. Other FTA programs that assist in funding active transportation investments related to transit include:

- Fixed Guideway Capital Investment Grants
- Bus and Bus Facilities Formula Grants
- Enhanced Mobility of Seniors and Individuals with Disabilities Program
- Formula Grants for Rural Areas

ADOT Administered Funding Sources

Highway Safety Improvement Program (HSIP)

The HSIP assists public agencies in improving safety on public roadways. HSIP funds can be dedicated to eligible projects that can demonstrate the potential of reducing fatal and serious injury crashes involving pedestrian/bicycles and motor vehicles, such as pedestrian hybrid-beacons and roadway improvements that provide separated facilities (e.g. medians or pedestrian islands). ADOT administers the HSIP program and has an annual statewide call for projects coordinated through MAG.

National Highway Performance Program (NHPP)

The NHPP provides funding for the construction of new facilities on the National Highway System (NHS) limited to interstates and designated principal arterials. NHPP funds can be utilized to fund bicycle lanes, bicycle parking, curb cuts and ramps, separated bicycle facilities, and shared use paths, among others. NHPP funds are administered by ADOT.

Regional Area Road Fund (RARF)

In November 2004, the voters of Maricopa County approved the extension of the levy of the Maricopa County Transportation Excise Tax for an additional 20 years, ending Dec. 31, 2025. Often referred to as the “half-cent sales tax,” the tax is levied upon business activities in Maricopa County, including retail sales, contracting, utilities, rental of real and personal property, restaurant and bar receipts, and other activities. Ten and a half percent of the RARF is allocated to major arterial streets and intersection improvements, including debt service, capital expense, and implementation studies.

Other State Funding Sources

Governor’s Office of Highway Safety (GOHS)

The GOHS provides funding to agencies throughout Arizona to promote traffic safety. The GOHS’s programs are focused on speeding and aggressive driving, occupant protection, and promoting pedestrian, bicycle, and motorcycle safety. Funding cycles occur on an annual basis and are initiated in January.



Local Funding

Property Taxes

Property taxes are typically the main source for local income and contribute to a city's general fund. Subject to local policies, procedures, and availability, these funds may be used at the discretion of each municipality to help in the funding of infrastructure improvements. Property tax increases can be implemented through a public voting process.

Sales Taxes

In the state of Arizona, municipalities have the ability to levy special sales taxes, an additional tax added to the purchase of goods or services, to raise funds for particular projects and needs. Voter approval is required.

Voter-approved initiatives such as the cities of Phoenix's Prop 104 (aka T2050) can be an effective way to generate dedicated funding for expanding multimodal transportation options.



Bonds

The issuance of municipal bonds is a major source of funding for capital improvements. Issuing General Obligation (G.O.) bonds is not only a common practice among cities, it is the primary and most widely accepted method of funding large capital projects for municipalities nation-wide. They are repaid primarily through secondary property tax and development impact fees. G.O. bonds are backed by the full faith and credit of the City.

Local Capital Improvement Programs

Local municipalities use Capital Improvement Programs (CIPs) as an outline for financing upcoming capital projects. Municipalities can decide which projects should be funded each year based on their projected revenues versus operating costs using a variety of local funding sources including property taxes and sales taxes. Specific programs that support active transportation such as sidewalk construction, curb ramps, etc. may also be defined as line items in the CIP.

Impact/Developer Fees

To fund infrastructure improvements, development impact fees are another funding source that could be used at the local level. If no such fee currently exists, developer fees require policy modifications at the local level. Where development is impacting the local transportation system, developer fees are intended to ensure that developers pay their part of improvements. As growth happens in the area, the use of developer fees to fund bicycle and pedestrian improvements ensures that pedestrian and bicycle amenities/facilities are able to support growth.

Developer Improvements

Developers pay for city infrastructure built adjoining their project sites through "onsite improvements." Provision and design of this infrastructure is based on municipal codes, ordinances, standards; therefore, it is important for municipalities to review and update these to include requirements for pedestrian and bicycle facilities and amenities. Adopting level of service standards that address multimodal needs can be an effective strategy for building out pedestrian and bicycle infrastructure. Piecemeal improvements create gaps in the network, leaving municipalities responsible for identifying, planning, and implementing connections.

Additionally, developers and cities may chose to enter into a developer agreement that includes off-site or downstream transportation improvements. Examples of this have occurred throughout the region to address neighborhood concerns related to traffic impacts from new development.

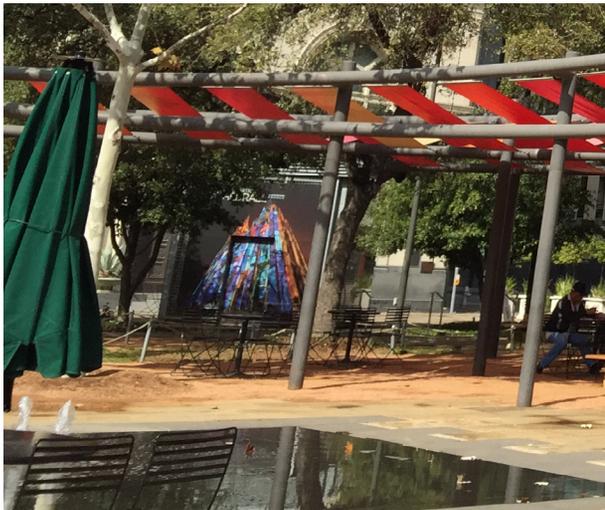


Special Assessments

When the cost is directly controlled by those who benefit from the project, a special assessment, which is a way of getting funds for public infrastructure improvements, can be used. One example would be when neighborhoods coordinate to ensure that a portion of their property tax or an extra fee is used to assist with the funding of bicycle and pedestrian enhancements on their street.

Crowd Funding

Crowd funding is a growing way to fund bicycle and pedestrian infrastructure enhancements. It lets citizens raise money to mutually fund a certain project. While crowd funding can assist in the funding of projects, it can also raise community awareness for bicycle and pedestrian needs and, in turn, possibly attract other donors and community support for continuous investment in bicycle and pedestrian facilities.



Improvement Districts

MAG member agencies can also implement special zoning districts as a method of accomplishing local infrastructure improvements. The improvement district allows residents or businesses to use a tax-based bond to distribute the cost of the improvements among all property owners who benefit. The improvement district is a property owner based petition process. The total cost of the improvements is financed by issuance of improvement bonds sold through public or private sale or issued to the contractor. Once the improvements are complete, an assessment is placed on every lot/parcel within the district.



Partnerships

Partnerships with local and regional business, non-profits, and public authorities can be essential to acquiring more funding for bicycle and pedestrian projects, especially when local funding is not readily accessible.

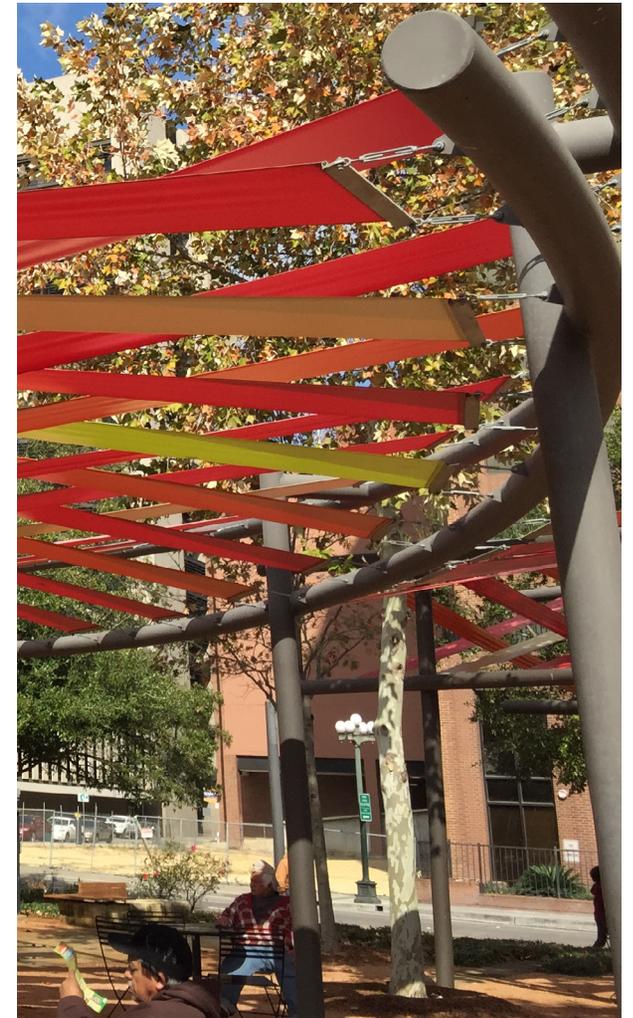


Table 1: Federal Surface Transportation Funding Programs

ACTIVITY	FTA	ATI	CMAQ	HSIP	NHPP/NHS	STBGP	STBGP Set-aside (TAP/TE)	RTP	402	FLH	Build	TIFIA
Access Improvements to Public Transportation	✓	✓	✓			✓	✓			✓	✓	✓
Bicycle and/or Pedestrian Plans	✓					✓				✓		
Bicycle Lanes On Road	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Bicycle Parking	✓	✓	✓			✓	✓			✓	✓	✓
Bike Racks On Transit	✓	✓	✓			✓	✓			✓	✓	✓
Bicycle Share (Capital/Equipment; Not Operations)	✓	✓	✓		✓	✓	✓			✓	✓	✓
Bicycle Storage or Service Centers	✓	✓	✓			✓	✓				✓	✓
Bridges / Overcrossings	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Bus Shelters	✓	✓				✓	✓			✓	✓	✓
Coordinator Positions (State or Local)			✓			✓						
Crosswalks (New or Retrofit)	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Curb Cuts and Ramps	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Helmet Promotion						✓			✓			
Landscaping/Streetscaping (Bike/Ped Route; Transit Access)	✓	✓				✓	✓			✓	✓	✓
Maps (For Bicyclists and/or Pedestrians)	✓	✓	✓			✓			✓			
Paved Shoulders			✓	✓	✓	✓	✓			✓	✓	✓

All federal funding programs listed here are administered through ADOT or MAG with the exception of TIFIA and BUILD, to which local jurisdictions are eligible to apply directly. FLH programs are administered by the FHWA Office of Federal Lands Highway.

TABLE KEY:

✓ Eligible

⊙ Eligible, but not competitive unless part of a larger project

FTA: Federal Transit Administration Capital Funds

ATI: Associated Transit Improvement (1% set-aside of FTA)

CMAQ: Congestion Mitigation and Air Quality Improvement Program

HSIP: Highway Safety Improvement Program

NHPP/NHS: National Highway Performance Program (National Highway System)

STBGP: Surface Transportation Block Grant Program

STBGP Set-aside (TAP/TE): Transportation Alternatives and Transportation Enhancement Programs

RTP: Recreational Trails Program

402: State and Community Traffic Safety Program

FLH: Federal Lands Highway Program (Federal Lands Access Program, Federal Lands Transportation Program, Tribal Transportation Program)

Build: Better Utilizing Investments to Leverage Development Program

TIFIA: Transportation Infrastructure Finance and Innovation Act (loans)

Table 2: Federal Surface Transportation Funding Programs (cont.)

ACTIVITY	FTA	ATI	CMAQ	HSIP	NHPP/NHS	STBGP	STBGP Set-aside (TAP/TE)	RTP	402	FLH	Build	TIFIA
Recreational Trails						☑	☑	☑		☑	☑	☑
Road Diets (Bicycle/Pedestrian Portions)				☑	☑	☑	☑			☑	☑	☑
Safety Brochures, Books									☑			
Safety Education Positions									☑			
Separated Bicycle Lanes	☑	☑	☑	☑	☑	☑	☑	☑			☑	☑
Shared Use Paths / Transportation Trails	☑	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑
Sidewalks (New or Retrofit)	☑	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑
Signs / Signals / Signal Improvements	☑	☑	☑	☑	☑	☑	☑			☑	☑	☑
Signed Bicycle or Pedestrian Routes	☑	☑	☑		☑	☑	☑			☑	☑	☑
Spot Improvement Programs	☑		☑	☑		☑	☑	☑			☑	☑
Traffic Calming	☑			☑	☑	☑	☑				☑	☑
Trail Bridges			☑	☑	☑	☑	☑	☑		☑	☑	☑
Trail/Highway Intersections			☑	☑	☑	☑	☑	☑		☑		
Training			☑			☑	☑	☑	☑			
Tunnels / Undercrossings	☑	☑	☑	☑	☑	☑	☑	☑		☑	☑	☑

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