

Funding Walking & Biking Improvements

February 2020

Oregon's Bike Bill (ORS 366.514) generally requires communities to provide sidewalks and bikeways when building or rebuilding a road. Communities also must spend at least 1% of their State Highway Fund dollars on walking and biking.

But for communities who want to do more, this handout lists some funding options. It does not imply endorsement, is not an exhaustive list, and programs evolve over time. Most sources not connected to the Highway Trust Fund can be used outside the road right-of-way.



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. The League of Oregon Cities 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.

www.orcities.org/Portals/17/Library/2016%20SDC%20Survey%20Report.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: bendoregon.gov/modules/showdocument.aspx?documentid=6067

Construction Excise Taxes (CETs)

Half of the revenue from CETs levied on new construction of industrial or commercial buildings can be used for non-housing purposes. Corvallis, Portland, Cannon Beach, Hood River, and Newport have CETs. There is some pressure to use all the revenues for housing. The Housing Alliance maintains a list of CETs:

www.oregonhousingalliance.org/construction-excise-tax/

Funding Options

Local

- System Development Charge
- Local Improvement District
- Construction Excise Tax
- Urban Renewal Area/TIF
- General obligation bond
- 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
- Active Transportation Leverage
- ADA Curb Ramps
- Sidewalk Investment Program
- Safe Routes to School
- All Roads Transportation Safety
- Oregon Community Paths Program
- State Transport. Investment Fund
- Transportation & Growth Mgmt
- State Infrastructure Bank
- Travel Oregon Grants

Federal

- Surface Transportation Block Grant
- Transportation Alternatives
- 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
- BUILD grants
- Recreational Trails Program
- Ntl Hwy Performance Program
- US Dept of Agriculture funds
- Economic Development Administration Public Works
- HUD CDBG funds

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: 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 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 municipality. A recent example of bonding for transportation improvements is Eugene's 2017 property tax general obligation bond, which dedicates 10% of its revenues to walking and biking projects: www.eugene-or.gov/gobonds

Local Gas Taxes

Two counties (Multnomah and Washington) and 25 cities levy local gas taxes, ranging from 1 cent/gallon to 10 cents/gallon. 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 (www.orcities.org/Portals/17/Premium/GasTaxReport2011.pdf) and links to current ordinances: 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: 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 and Washington County have looked at fees but rejected them).

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

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.

Dedicated Property Taxes

Washington County has a dedicated property tax to fund its Major Streets Transportation Improvement Program. Since 1986, the Program has funded \$900 million of new roads, sidewalks, bridges, and bikeways. Voters approved the funding source multiple times. Today, the program raises an average of \$44 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 \$4.4 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.

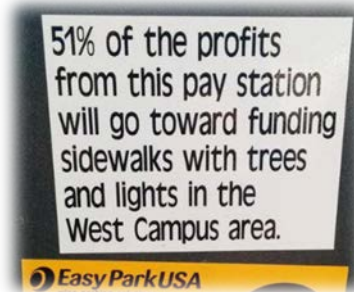
Other Options

Local municipalities in Oregon have other options. 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.

Other Local Departments

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)

ODOT's main capital improvement program is the STIP, funded by various sources. The STIP is a three- or four-year document, but is amended often. Proposals can be made to the state via your local regional offices. Projects must be in a local adopted Transportation System Plan. The 2021-2024 STIP includes roughly \$115 million for walking and biking projects. Programs include **Active Transportation Leverage**, which adds walking or biking features to Fix-It projects, and **ADA Curb Ramps**, to boost accessibility of pedestrian infrastructure.

Learn more: www.oregon.gov/ODOT/STIP/ and find contact info for your ODOT region www.oregon.gov/ODOT/STIP/Pages/Contacts.aspx

State Highway Trust Fund/Bicycle Bill

When roads are constructed or reconstructed, Oregon law requires walkways and bikeways be provided. Additionally, 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 20% and 30% of the state's highway trust funds, respectively, which can be used for walking and biking projects along roads. Contact Jessica Horning, (503) 986-3555.

Sidewalk Improvement Program (SWIP)

ODOT's SWIP builds pedestrian and bicycle facilities on state roads and local roads that help people moving across or around the state system. Jessica Horning, (503) 986-3555.

Safe Routes to School

ODOT manages competitive funding for Safe Routes infrastructure (\$10 million/year) and non-infrastructure (\$300,000/year). Contact LeeAnne Ferguson (503) 986-5805 or Heidi Manlove (503) 986-4196, respectively.

www.oregon.gov/ODOT/Programs/Pages/SRTS.aspx

All Roads Transportation Safety (ARTS)

The ARTS Program is designed to address safety needs on all public roads in Oregon. The program is data-driven to achieve the greatest crash reduction, including addressing hot spots. A portion is dedicated to a few proven low-cost measures to implement widely, where there is evidence that they would be most useful. Local agencies can submit applications for bicycle and pedestrian projects. Details and regional representatives at: www.oregon.gov/ODOT/Engineering/Pages/ARTS.aspx

Oregon Community Paths Program

This program will fund development, construction, reconstruction, and other capital improvements for multiuse paths, bicycle paths and footpaths.

www.oregon.gov/ODOT/Programs/Pages/OCP.aspx

State Transportation Infrastructure Bank

Oregon offers a revolving loan fund for certain transportation improvements, including bicycle and pedestrian infrastructure. Repayment must begin 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.

www.oregon.gov/odot/cs/fs/pages/otib.aspx



pedbikeimages.org / Adam Darin

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 such as The Dalles Riverfront Trail. Local matches are required.

www.oregon.gov/oprd/GRANTS/Pages/local.aspx

Transportation and Growth Management (TGM) Funds

TGM 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, Transportation System Plan (TSP) Assessments to look at city TSPs, and Education and Outreach projects to move community conversations forward.

www.oregon.gov/lcd/tgm/

State Transportation Improvement Fund (STIF)

Walking and biking connections to transit are eligible under ODOT's STIF Discretionary and Statewide Network Program.

www.oregon.gov/ODOT/RPTD/Pages/STIF.aspx

Travel Oregon Grants

Travel Oregon awards matching grants of up to \$20,000 for projects with a tourism purpose. www.Industry.TravelOregon.com/Grants



Federal Funding

The **Fixing America's Surface Transportation Act** (FAST Act) provides federal transportation programs. ODOT locally administers many of the programs, rolling several into the STIP process. www.fhwa.dot.gov/fastact/

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

Most Common Sources

Surface Transportation Block Grant Program (STBG)

STBG funds are very flexible. 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 but a portion are sub-allocated by population.

www.fhwa.dot.gov/specialfunding/stp/

Transportation Alternatives Program (TA funds)

Transportation Alternatives is now a set-aside within STBG. Bike-ped projects including recreational trails and safe routes projects are eligible. Oregon administers TA funds, giving grants to local governments, as part of the STIP's Enhance funds. 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.

www.fhwa.dot.gov/environment/transportation_alternatives/

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. 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, including automated enforcement in school zones. Infrastructure and non-infrastructure projects are eligible. Projects require a 10% local match. They are administered through ODOT's STIP. www.safety.fhwa.dot.gov/hsip/

Federal Lands Access Program (FLAP)/

Federal Lands Transportation Program (FLTP) – both part of FLTTP

The FLTTP 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. flh.fhwa.dot.gov/programs/flap/or and 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. 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. www.fta.dot.gov/13747_14400.html

FTA Associated Transit Improvements (ATI) 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. www.fta.dot.gov/13747_14399.html

BUILD grants

The Better Utilizing Investments to Leverage Development (BUILD) discretionary grant program (formerly TIGER) 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. www.transportation.gov/BUILDgrants/about

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. www.fhwa.dot.gov/environment/recreational_trails/
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. www.fhwa.dot.gov/fastact/factsheets/nhppfs.cfm

There are additional funding sources for tribal governments, including the Tribal Transportation Program and Tribal Self-Governance Program, the latter of which provides significant flexibility in use of funds.



Pedbikeimages.org – Dan Burden

State or Metropolitan Planning

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

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:

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. 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. 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. 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. 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.

Resources

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

For **state funding**, contact your ODOT regional representatives
www.oregon.gov/ODOT/STIP/Pages/Contacts.aspx

A summary of the most promising state money funds is here:
www.oregon.gov/ODOT/LocalGov/Pages/Funding.aspx

ODOT's bicycle and pedestrian program contacts may also be helpful; a list can be found at www.oregon.gov/ODOT/Programs/Pages/Local-BikePed-Contacts.aspx

Federal funding. A very helpful spreadsheet of what sorts of bicycle and pedestrian projects are eligible for which federal programs.
www.fhwa.dot.gov/environment/bicycle_pedestrian/funding/funding_opportunities.cfm

Methods for Financing Transportation Infrastructure (2010), ODOT contains many examples of communities making funding plans.
library.state.or.us/repository/2010/201010261316072/index.pdf

Victoria Transport Policy Institute guide to financing options:
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
smartgrowthamerica.org/resources/oregon-non-roadway-transportation-funding-options/

**For an on-line version of this information with live web links, visit
www.oregon.gov/LCD/TGM**

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.

